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Saudis Are Cast as Chief Mediators

Riyadh Role Heightened as Syria Balks at U.S. Plan for Lebanon

By Bernard Gwertzman ---

New York Times Service WASHINGTON — Reagan administration officials said that Syria has refused to accept any plan that seems to have originated in Israel or the United States, and Saudi Arabia has beca left to take the lead in trying to resolve the current Middle East crisis. The officials said Monday that the Saudis.

deeply concerned about a new Arab-Israch conflict, agreed to become more active diplo-matically after President Reagan's special envoy. Philip C. Habib, reported to them that Syria was unresponsive to his ideas because President Hafez al-Assad believed Washington was too closely allied with Israel.

Mr. Habib came here for consultations last week and is expected to return to the Mideast later this week. Officials said that his primary effort would be to maintain Israeli Prime Minister Menachem Begin's commitment not to attack the Syrian anti-aircraft missiles in Leba-non as long as there is diplomatic activity. In addition, Mr. Habib will urge restraint among on all parties and coordinate his work with the

The Saudis have begun trying to persuade the Syrians, the Lebanese government and the different factions in Lebanon to work out a formula that would ease the tensions within Lebsmon and provide the Syrians with an excuse to remove their troops and missiles from the vicinity of the Christian city of Zahle.

By Stuart Averbach

Washington Post Service
AMMAN, Jordan — King

Hussein Tuesday refused to offer

Hussein Tuesday refused to offer either military or political help to neighboring Syria if it is attacked by Israel, which he blamed for escalating an already "disturbed, dangerous situation in the area" through its "intolerable" and "provocative" policies on the West Bank and in Lebanon.

full on the longest confrontation line with Israel," King Hussein said in answer to a direct question as to whether his country would

help Syria in the event of an Israeli

He thus became the only major

Arab leader to refuse to offer aid

to Syria, which has broken out of

"Jordan already has its hands said."

its isolation within the Arab world ter a specific time, "leave Lebaton as a result of its current confronts—as an independent state and a uniquion with Israel over its stationing—ed people, as a country in peace."

Mr. Habib has also been seeking to arrange the removal of the missiles, but it is now ac-knowledged within the administration that the chances for their withdrawal depend largely on the Saudi efforts.

Sandi Arabia's leverage on Syria and the Lebanese mainly involves its willingness to re-sume multimillion dollar payments to Syria, to finance the rebuilding of the Lebanese armed forces and to contribute to reconstruction efforts in Lebanon, U.S. officials said.

In addition to the Saudis, administration officials said that Yasser Arafat, chairman of the Palestine Liberation Organization, has also been helpful behind the scenes in urging restraint on Syria.

Although the United States continues to avoid any direct contacts with the PLO as part of a six-year-old pledge to Israel, the State Department said Monday that it had asked Unit-ed Nations Secretary-General Kurt Waldheim to urge all parties in the Middle East to act with restraint. Mr. Waldheim included the PLO in his efforts, officials said.

U.S. officials have distinguished between Mr. Arafat's efforts, which included going to Damascus to confer with Mr. Assad, and the stance of those Palestinian organizations who have not been so helpful.

Mr. Habib gave briefings to some Senate and House leaders Monday, while resolutions were introduced in both houses calling for a cease-fire in Lebanon and the removal of all

a little more than a month ago and

came four days after he returned from his first trip to the Soviet Un-

The king spoke with feeling as

he sounded an essentially pessimis-tic note. "An explosion could erupt in the area on a large scale

and could cause all of us within

the area and maybe within the

world tremendous change; we are

While not attacking the Camp

David accords by name, he called for an international conference,

perhaps under United Nations

auspices, to engineer a comprehen-

at a dangerous point," he said.

ion since 1977.

sive settlement.

non's Bekaa Valley. The 45-year-old monarch

tempered his refusal to help Syria with a vague reference to Jordan's

support of the resolutions of last

month's Arab foreign ministers' meeting in Tunisia, which pledged

support to the Damascus govern-ment if it is attacked by Israel.

"In the face of any Israeli threat, we are obviously all united," he

The ting then criticized Syria's

five year role as a peacekeeper in Lebanon and suggested that it be

replaced by a more representative

Arab force that would try to recon-

cile the splintered political and re-

ligious factions there and then, al-

Syrian and Libyan missiles and forces from banon soil.

The resolutions were introduced by Demo cratic Sens. Edward M. Kennedy of Massachusetts and Henry M. Jackson of Washington, and by Reps. Benjamin S. Rosenthal, Demo-crat of New York, and Edward J. Derwinski, an Illinois Republican. The measures were pri-vately criticized by State Department officials who felt the congressional actions put too much open pressure on Syria.

Administration officials said that when it became clear to Mr. Habib that the Syrians were unlikely to view favorably any ideas he brought to them, he suggested returning to Washington for consultations.

U.S. Efforts Assailed

DAMASCUS (NYT) — Syrian Foreign Minister Abdel Halim Khaddam Monday de-nounced the United States current Middle East diplomacy as warped in favor of Israel and contended that Saudi Arabia was not a mediator between Syria and "the Zionist foe."

Tishrin, a government-controlled newspaper that is particularly close to the thinking of Mr. Assad, gave striking prominence to its report of the foreign minister's criticism of Mr. Habib's shuttle diplomacy and his assertion that "our missiles entered Lebanon to remain, not



Bengali soldiers bring their own wreath to place on the coffin of President Zia, who was slain in a coup attempt on Saturday.

Throngs Join To Mourn Zia; 3 in Plot Die

By William Branigin

DACCA — Hundreds of thou-sands of Bangladeshis streamed through the streets of this crowded, dirt-poor capital Tuesday in a funeral procession for the slain President Ziaur Rahman. The government announced the deaths of three leaders of the abortive rebellion that took his life.

The burial of the assassinated president capped an outpouring of grief for a leader widely regarded here as a vital driving force behind efforts to develop a country that is considered one of the most impoverished in the world.

President Zia's death leaves a

leadership vacuum that could eventually lead to a struggle for power and reduce the degree of political stability that he had estab-lished. Bangladeshi and Western sources said.

Combined with a leveling off of international development aid this year, the sources said, President Zia's death also casis a gloomy pall over prospects for continuing the country's painfully slow but steady economic progress of recent

In addition, the loss of the au-

thoritarian but generally popular president has laid bare some old, festering within the armed forces since the country's war of inde-pendence from Pakistan in 1971. Hours after Tuesday's funeral procession and burial, the govern-ment reported the arrests of 17 army officers who were allegedly involved in the two-day takeover of the southern port city of Chitta-A communique also announced

measures to punish those responsi-ble for the president's death and disclosed that authorities are seeking an unspecified number of ac-The statement said an inquiry

court and a field general courtmartial have been set up to identify and try "the culprits responsible for the brutal killing of President iaur Rahman.

The government announcement added some conflicting detail to an official Radio Bangladesh broad-cast Tuesday morning that report-ed the death of the rebel commander, Maj. Gen. Manzur Ahmed. The initial report said that angry soldiers killed Gen. Manzur as he was being brought back to Chittagong following his capture

near a village north of the city.

The later announcement said two of Gen. Manzur's "accomplices," both lieutenant colonels. also died in the incident. It said that "some agitated armed people tried to snatch them" as they were being taken under guard to the Chittagong cantonment, or garri-

'Exchange of Fire'

The announcement said "an exchange of fire" ensued between the attackers and the guards, during which Gen, Manzur was shot and wounded. He died on the way to the hospital, and his two aides were killed on the spot, the commanague sala.

According to a well-informed Bangladeshi source, however, Gen. Manzur was shot inside the Chittagong cantonment by fellow sol-diers about 9:00 p.m. Monday, two hours after he was captured along with his wife and three children and the two army officers in a thatched but 17 miles north of the port city. The source said Gen. Manzur had been on the point of opening fire on police when one of them seized his daughter as a hos-

Official government spokesmen were not immediately able to confirm or deny another report that the wife, daughter and two young sons were subsequently killed along with Gen. Manzur and the

(Continued on Page 2, Col. 7)

Hard-Liners

Assailed by

WARSAW - Poland's Commu-

nist leaders Tuesday formally con-

demned the position of a hard-line

party group whose views have met

A broadcast on national televi-

sion said the Politburo had deter-

mined that the declaration of the

so-called Katowice Forum, whose

position was reported in the Soviet

press on Tuesday, was harmful

The Politburo condemnation

was the first high-level statement

on the forum and pointed to a wid-

ening rift between Polish Commu-

"The declaration as a whole, al-

though some of its evaluations can

be justified, met a critical attitude of the Politburo," the state televi-

sion said in its main evening news.

and generalizations contained in

'Threats and Dangers'

A number of simplifications

with apparent Soviet approval.

An honor guard of soldiers carrying the coffin of President Zia through the streets of Dacca.

FIRST VISIT — Claude Cheysson, right, the foreign minister for Francois Mitterrand's new Socialist government in France, met with West German Chancellor Helmut Schmidt, center, and Foreign Minister Hans-Dietrich Genscher Tuesday in Bonn. Details, Page 2.

OECD Sees 6-Month Delay in Upturn Of Economies of Industrialized Nations

By Axel Krause

Parilie

International Herald Tribune
PARIS — Recessionary conditions and growing unemployment among industrialized countries are expected to continue well beyond this summer, according to unpubworking documents prepared by the secretariat of the Orranization for Economic Cooperation and Development.

The revised OECD forecasts conclude that the anticipated recovery among industrialized countries will be postponed by six months, accompanied by some falling in inflation rates in many countries, according to sources who have read the documents.

The documents and their prog-noses provided the basis of closeddoor discussions of the OECD's economic policy committee. The body, which ended a two-day meeting in Paris on Tuesday, comprises key economic policymakers from the 24 nations of the OECD. Murray I. Weidenbaum, chairman of President Reagan's Council of Economic Advisers, was elected committee chairman on Monday.

The committee's conclusions will be incorporated into reports that will provide the basis of strategy discussions at OECD's annual ministerial meeting June 16 and 17 in Paris.

In its most recent economic outlook, last December, OECD predicted a weak recovery among members - mainly the United States, Western Europe and Japan GNP growth of around 3 percent in the first half of 1982.

However, since the report was published, the combined OECD economies have weakened by 0.5 percent. The result is that predictions of GNP growth rates have been scaled down to 1.6 percent in the first half of 1981, 1.5 percent in the second half of 1981 and 2.2 percent during 1982. These rates compare with a 1.3 percent growth of GNP during 1980, according to

. In other key revisions, the OECD estimates that total unemployment in the area will rise to 26 million during the second half of 1982. That figure represents

U.S. Will Sell Arms To Jordan and Oman

WASHINGTON - The Defense Department has notified Congress that it plans to conclude an \$87million arms deal with Jordan and sell the Gulf state of Oman a C-130 Hercules military transport

The sale of the \$17-million plane to Oman is the first of the year. The deal with Jordan is for 30 tracked tank-recovery vehicles and eight radar systems for locating mortars and heavy artillery, the Pentagon said Monday.

beginning in the first half of 500,000 more jobless than the 1981 to reach an annual rate of agency predicted last December and compares with 23 million unemployed at the end of last year, according to the OECD.

The new projected jobless level equals roughly 7.5 percent of the area's labor force, but it could be as high as 9 percent in the European OECD countries, including members of the European Economic Community.

Indeed, the documents reflect a decidedly gloomier outlook for Europe overall compared to other eas, notably the United States. The OECD predicts only a 0.6 per-cent growth rate for Europe in the first half of 1981.

Meantime, largely because of depreciation of European currencies against the dollar and the yen, European inflation rates also will increase faster than had been anticipated earlier, the OECD said.

But inflation within the OECD area as a whole will gradually decline - from 11.3 percent last year to 10.1 percent in 1981 and 8.9 percent in 1982, according to the documents. Analysts said that the figures reflected anticipated reduction of inflation in the United

The OECD also reiterated its view that the combined deficits in the current balance of payments among member countries will gradually decrease, mainly because of expanded exports within the area and to third countries.

and the concern that Taiwan not be at Pentagon officers, reversing mear judge triendship treaty with Moscow.

Jordan Bars Aid to Syria in War Polls Show King Hussein made his remarks in a 30-minute interview with four Western reporters in his office in the Rasman Polace in American Polace in Americ i'urnaround the Basman Palace in Amman. It was the first major statement by the Jordanian monarch since the current missile crisis exploded

Likud's Dominance Stuns Peres, Labor By William Claibome

Washington Post Service
JERUSALEM — In an extraordinary comeback from virtual political ruin six months ago. Prime Minister Menachem Begin's Likud Party has pulled ahead of the op-position Labor Party with less than a month left in the campaign for the national election, according to the most reliable public opinion

Mr. Begin's party will win 45 seats and the Labor alignment will win 43 seats in the 120-member in the Jime 30 balloting, according to a national poll conducted in the last week of May by the Applied Research Center. The poll was commissioned by the Jerusalem Post, which published the results In a separate poll conducted by

the Dahar opinion research organization, in which voters were asked who would be the most suitable prime minister, 38 percent favored Mr. Begin against 28 percent for Labor Party leader Shimon Peres. In January, when Mr. Begin's fractious Cabinet averted collapse in a parliamentary no-confidence vote by calling for an early election, the same polling organizations projected a lopsided 58- to 20-seat victory for Labor. Other polls forecast 65 seats for Labor and only 12 for Likud. Mr. Peres was favored 44 percent to 12 per-

Peres Camp in Disarray

cent for Mr. Begin.

Even if Mr. Begin fails to maintain his momentum and wins only the 45 seats that the polls have predicted, he appears for the first time since the campaign began to be in a fairly strong position to put together some sort of coalition for the 61 Knesset seats necessary to form a government, albeit a weak one. In 1977, the Likud won only 43 seats, but by enlisting the religious parties and the now-defunct Democratic Movement for Change, it formed the present coa-lition government, which has last-ed four years — longer than any government in Israel's 33-year his-

Mr. Begin's stunning turnabout has resulted in near panic in the Tel Aviv election headquarters of the Labor Party, where there is a sense of helplessness due to Mr. Peres' inability to seize the cam-paign initiative. A senior adviser to Mr. Peres, who asked not to be identified, said: "If things contin-ue the way they have, I have no doubt the Likud will win it. We are

in an almost impossible situation." The situation is due, in large part, to two factors: Mr. Begin's ccess in exploiting the crisis over the deployment of Syrian missiles in Lebanon, thereby overshadowing domestic issues on which he is vulnerable; and his resurgence among the once-disaffected "oriental" voters whose origins are in Jewish communities in the Middle East, particularly North Africa.

Paralleling those factors are two distinct phenomena which have vastly helped Mr. Begin's campaign and undercut that of Mr. Peres: Mr. Begin has put his oncecontentious and seemingly self-destructive Cabinet under wraps, thereby neutralizing the government's image of ineptness; and internecine lighting within the Labor Party, stemming from the yearsold rivalry between Mr. Peres and former Prime Minister Yitzhak Rabin, continues to erode support for the opposition.

The Syrian missile crisis has been particularly debilitating for the Labor Party. "It's simple. We can either run for Begin or run for (Continued on Page 2, Col. 5)

Sandinistas Try to Pacify Critics isolate this country economically and politically. The action was in reprisal for alleged Sandinista MANAGUA - Faced by an acute economic crisis and a counarms shipments to Salvadoran guerrillas. try increasingly divided along ide-ological lines, Nicaragua's San-

Fears of Hostilities

The Sandinistas have also been that exiled followers of the late Gen. Anastasio Somoza Debayle are receiving encouragement from their plan to invade Nicaragua

and the Arab world in search of economic assistance and political The catalyst for this new strategy was the Reagan administra-tion's decision in March to suspend aid to Nicaragua, a move interpreted here as the beginning

Personal and ideological differences among black groups fighting apartheid in South Africa appear to have deepened over the last

live years, undercutting the black protest movement's effective-

The U.S. dollar, bolstered by signs that a drop in interest rates

may be slower in coming, surged against European currencies. Page 15.

Despite Problems, Democracy Holds

Portugal's democracy is doing remarkably well after seven years,

despite a number of pressing problems. A special supplement on the Iberian nation appears on Pages 7S-14S.

Splits Hamper Apartheid Fight

Dollar Surges in Europe

PORTUGAL

By Alan Riding

New York Times Service

dinista rulers have launched a two-

pronged offensive aimed at

appeasing their domestic critics

of each other, the government and

its conservative opposition have agreed to hold talks to look for

ways of restoring something of the

panied the ouster of the Somoza

patch up relations with its immedi-

ate neighbors, Honduras and Cos-

ta Rica, and, in recent weeks, has

sent delegations to Latin America,

Western Europe, the Soviet bloc

Nicaragua has also moved to

spirit of national unity that accom-

regime 22 months ago.

INSIDE

Although still clearly distrustful

and winning new friends abroad.

alarmed by mounting evidence sectors of the Honduran Army for from camps inside Honduran terri-

Fears of imminent hostilities between Nicaragua and Honduras eased, however, after a meeting May 13 between the coordinator of the Nicaraguan junta. Daniel Ortega, and the Honduran president, Gen. Policarpo Paz Garcia, at which they agreed to resolve their differences peacefully.

But the Sandinistas remain worried about the impact of regional unrest on their own revolutionary process and have called for a negotiated settlement of El Salvador's conflict. They were also quick to endorse a proposal by President Rodrigo Carazo Odio of Costa of a campaign by Washington to Rica that the leaders of all five

Central American countries and Panama meet in August in Mexico Gity to analyze the problems of the region with the presidents of Mexico and Venezuela. Much of the focus of Nicara-

gua's new foreign policy, though, has been on demonstrating that the alternative to economic aid from Washington is not necessarily a dependence on the Soviet bloc. Nicaragua recently reopened its embassies in Brazil and Argentina for the first time since the revolution, and last month it obtained a much-needed \$100-million loan from Libya, one of several Arab oil nations that it is courting.
While the success of its diplo-

matic offensive has assuaged Nicaragua's fears of isolation by the Reagan administration, it has done little to reduce tension between the Sandinistas and critics in the private sector, conservative political parties, the Catholic hierarchy and the independent press.

Although the Sandinistas remain formally committed to main-taining a mixed economy and political pluralism, many of their opponents seem convinced that they are moving irrevocably toward in-stalling a Marxist-Leninist dicta-

U.S. Gets Reports on Tanks

WASHINGTON (AP) -State Department official said Tuesday that the Reagan administration has seen reports that the Soviet Union may have secretly shipped T-55 heavy tanks to Nicaragua, although there is some doubt as to whether the reports are true.

The Washington Post reported that the Russians sent the tanks as part of a long-rumored plan to equip Nicaraguan armed forces. The story said that according to reliable intelligence reports large pieces of equipment covered with tarpaulins have been unloaded at night in Nicaragua from Cuban

transports. The newspaper quoted Daniel Ortega, head of Nicaragua's revolutionary junta, as saying that reports of tank deliveries and a prospective shipment of jets were un-

in the relationship.

the declaration are unacceptable,' the television report added.

and unacceptable.

nists and the Kremlin.

"The Politburo, drawing attention to other threats and dangers...considered that in the present political situation the Ka-towice declaration is harmful," the report said.
The Katowice Forum directly

criticized the present party leadership, implying that it was not in control of the situation and that it was in the hands of revisionists.

Dozens of Polish party organizations have joined with the independent trade union Solidarity in rallying behind the party leader. Stanislaw Kania, and Prime Minister Wojciech Januzelski in condemning the Katowice initiative.

Western diplomats in Warsaw said they were convinced the new development was directly connected with the Polish party congress, which is widely expected to at its meeting in July to approve the democratic reforms in Poland that

(Continued on Page 2, Col. 4)

French Aide, in Talks in Bonn, Hard-Liners Calls for Cut in Soviet Missiles Mr. Genscher, "that on basic questions, the Soviet Union has detions, we're in full agreement. It's an encouraging basic for matter.

By John Vinocur New York Times Service

BONN — Foreign Minister Claude Cheysson, making his first visit outside France on behalf of President François Mitterrand's new Socialist government, met with West German leaders Tuesday and said that the Soviet Union must reduce its arsenal of middle-range nuclear missiles targeted on Western Europe.

Referring to the buildup of Soviet SS-20 missiles, Mr. Cheysson said, "It is necessary to reduce this very distressing development."

Coming from a representative of the new leftist leadership in France, the statement seemed cerrance, the statement seemed cer-tain to please the Bonn govern-ment as well as Reagan adminis-tration officials in Washington, whom Mr. Cheysson is scheduled to visit on Thursday.

His tone Tuesday was consistent with statements made by Mr. Mit-terrand on the dangers of the Soviet missile program and the correct-ness of NATO's decision to deploy Cruise and Pershing missiles in Western Europe as a countermeasure. In contrast to this, the govern-ment of former President Valer-Giscard d'Estaing often said it was not directly concerned by the situation or the NATO plan.

Restrained Intimacy

Mr. Cheysson talked for more than an hour with West German Foreign Minister Hans-Dietrich Genscher and then met briefly with Chancellor Helmut Schmidt.

Mr. Cheysson also seemed intent on putting aside some of the exclusive aspects of the French-West German relationship that irritated many of their allies during Mr. Giscard d'Estaing's seven-year tenure. He said, for example, that the overall discussions he had with Mr. Genscher were "placed in the context of our relations with the

His visit to Bonn was a mark of the intimacy of the relationship between the two countries, Mr. Cheysson said, quickly adding that "this intimacy is not exclusive" since France had very close ties with other countries.

The talks showed, according to

BELFAST — A powerful bomb

was detonated as an armored po-

lice vehicle passed on a London-

derry road Tuesday, but all four

officers inside escaped death be-

cause the explosion was mistimed.

A police spokesman said one

member of the patrol was wound-

ed. But he was not hurt badly, al-though the blast destroyed the roof of a pub 300 feet away and knocked out windows in the Cath-

olic Creggan Estate a quarter of a

the Land Rover and killed every-one in it," the spokesman said.

"The slight error in timing by the

The explosion occurred 80 miles

bombers saved the lives of the four

(128 kilometers) from the North-

ern Ireland road where an IRA

landmine killed five British sol-

Remote Control

wall on the city outskirts and was detonated by remote control, Lon-

The attack occurred hours be-fore a visit to Northern Ireland by

Princess Alexandra, cousin of

The princess had planned a

surprise visit to the province but

The bomb was hidden behind a

diers on patrol two weeks ago.

donderry police said.

Queen Elizabeth.

"If the bomb had gone off as

an encouraging basis for continuing our common work."

Rather than referring to any full agreement," Mr. Cheysson said that French-West German "interests are very often common

"It's not a question of touching them as they've existed up until now," he said of the ties between the two countries, "but each person and government brings its own style. Mr. Mitterrand and Mr. Schmidt won't be able to talk in English on the telephone because Mr. Mitterrand doesn't speak Eng-

Asked by a reporter if he had discussed the missile issue with Mr. Genscher. Mr. Cheysson replied that if he had not he would have been both "ignorant and irresponsible" — an apparent dig at the line of the previous French

The rapid installation of the Soviet missiles, he said, "modifies the general balance of power in the world. France has a direct interest in this balance of power [and] Germany is directly concerned in the riposte for the SS-20s ...

When he was asked if he were

optimistic about the possibility of successful negotiations between the United States and the Soviet Union for a reduction in the number of missiles, Mr. Cheysson replied, "You'd better ask that question of the Kremlin."
According to NATO calcula-

The Socialists, buoyed by opin-ion polls giving them about 33 per-cent of the vote in the coming elec-**Swedish Studies Show** tions, have also left no doubt they Rise in Alcohol Abuse will want a firm commitment from Mr. Marchais and his colleagues of The Associated Press full support for all government

STOCKHOLM — The number of alcohol abusers has risen dramatically in Sweden in the past 20 years, a Swedish psychiatrist said Tuesday, quoting new studies that show that every fourth man and every fifth woman have, or have had, alcohol problems.

Dr. Borje Lassenius, chief psychiatrist at the Sundsvall Hospital in central Sweden, said that "the only way to change this trend is to introduce a ration card, or to multiply liquor prices."

4 Policemen Narrowly Escape Death

In Huge Bomb Blast Near Londonderry

her trip turned into a security

problem when news of her plans was revealed by the Loyalist politi-cian, the Rev. Ian Paisley, Monday

Princess Alexandra flew to a air

force base outside Belfast. She was

taken by helicopter to Bangor and Banbridge, two predominantly Protestant towns considered safe

by security men responsible for her

The main purpose of the prin-

cess' visit, her second to the province in two years, was to attend the consecration Tuesday evening of

St. Anne's Church of Ireland

Armed police were stationed in

(Protestant) cathedral in Belfast.

Walkout Interrupts

Flights at Heathrow

The Associated Press

LONDON — Transatlantic flights into and from London's Heathrow Airport were disrupted Tuesday by a 19-hour walkout of

Pan-American World Airways said that it had canceled flights to

and from Los Angeles and a ser-

vice to New York and warned that

more flights might be scrapped. British Airways canceled three flights to New York and a Con-

Cognac Courvoisier...

The French way of life.

British air traffic controllers.

corde flight to Washington.

safety during her eight-hour stay.

Assailed by

have aroused deep suspicion

tinuing to install them. Insofar as both Mr. Schmidt and Mr. A report of the forum's position Genscher are confronted with re-sistance from the left wings of their parties involving the station-ing of U.S. middle-range missiles, was published Tuesday by the So-viet party daily Pravda, a clear in-dication that Moscow endorses its criticism of the Polish leadership. In its original declaration the Katowice Forum used language that had not been heard in Poland

Mr. Cheysson's support was likely

Pre-Election Talks Begin

cialist and Communist Party lead-

Lionel Jospin, who took over the post when Mr. Mitterrand became its presidential candidate last year,

and Communist Party General Secretary Georges Marchais.

Secretary Georges Marchaus.

The primary purpose of the talks is to prepare the ground for the parliamentary elections to be held on June 14 and 21. The president hopes the elections will produce a leftist majority favorable to

duce a leftist majority favorable to

his social reform program in the

National Assembly.
But Socialist officials have indi-

cated they would insist that the

Communists abandon or at least

modify their support of the Rus-sians' intervention in Afghanistan

and Moscow's deployment of the

Stasi, the leader of a center-right group which supported Mr. Gis-

card d'Estaing, suggested that it could swing to Mr. Mitterrand if

he renounced alliance with the

Communists. He told a news con-

ference that he supported the changes promised by the new pres-

ident but could not join any gov-ernment that sought Communist

the cathedral all night. British

troops patrolled the streets for blocks around beginning in the

early morning hours. Extra troops of the local militia, the Ulster De-

fense Regiment, were drafted into

the city center area and spent the day searching stores and bars.

In earlier violence, a suspected

IRA sniper wounded a policeman

directing traffic away from a gaso-line tanker believed to be booby-

trapped in the second straight day

Sunday, an IRA assassination

team, shot and killed a policeman

who was guarding a patient at the

Royal Victoria Hospital. The IRA

said in a statement claiming re-

sponsibility for the killing that as

long as police guarded the hospital it would be considered a military

The IRA statement said the kill-

ing of the policeman, Corin Dun-

lop, 30, was a sign to British Prime

Minister Margaret Thatcher the outlawed organization was not

beaten nor using a series of Maze

Prison hunger strikes as its "last

card" as she suggested last week. Ten Ulster policemen have been

killed this year, and 150 have died

since Britain initiated direct rule

target.

Troops were posted on rooftops.

SS-20 missiles.

PARIS (Reuters) --- French So-

to be extremely welcome.

for many months. It said bourgeois liberalism and anarchist and destructive trends had surfaced in the Polish party since last summer's peaceful labor caust and Communist Party leaders began talks on a possible political and electoral pact Tuesday which could open the way to the appointment of Communist ministers under Mr. Mitterrand.

Heading the two delegations were Socialist Party First Secretary Lionel Joseph, who look over the revolt that produced a free trade union movement — embodied in Solidarity — and made Poland the most liberal state in the Eastern

"Every day brings an expansion of the liberal-bourgeoisie and Trotskyite-Zionist outlooks as well as a rise in nationalism, agrarian-ism, clericalism, class solidarity and anti-Soviet views and moods which are carefully cultivated by the right-wing," the forum said. It spoke of the threat of a revi-

sionist coup in the party — one of the worst allegations that can be made, in the view of the Soviet Solidarity suggested on Monday that the declaration could even

have been written at the behest of Moscow and said it amounted to an invitation to Soviet interven-

Hunger Strikers

Meanwhile, campaigners for the release of so-called political pris-oners in Poland said on Tuesday that 23 persons, including the wife of one of the detainees, were now on hunger strikes as part of the protest. Meanwhile Tuesday, Bernard

The organizer of the campaign. Teresa Baranowska, said the wife of Leszek Moczulski, leader of the anti-Communist "Confederation of Independent Poland," was one of four protesters who joined the hunger strike

Four of the strikers have gone without food for 13 days. Warsaw court on Tuesday freed one of the five confederation members whose release was de-manded by the hunger strikers. The strikers are demanding the release of a further six prisoners whom they consider are being held for political reasons.

Walesa in Geneva

GENEVA (NYT) - Lech Walesa, head of Poland's independent trade union Solidarity, said Tues-day that his organization's ability to "sit down at the table to discuss issues with the government even without strikes is no mean achieve-

Mr. Walesa also remarked that his presence in Geneva to represent Polish workers at the opening session Wednesday of the 145-na-tion International Labor Organiza-While stressing that the Polish

government has to listen to movements such as Solidarity if it wants to win support for its economic reforms, Mr. Walesa said that his organization was not trying to usurp the political role of the Communis Party. "We don't want any part of power sharing." he said.

Mr. Walesa said that there was no lack of leaders in Solidarity and that he was ready to step down "as soon as my colleagues and friends

U.S. House Unit Votes Cuts in Social Security

United Press International
WASHINGTON — The House Ways and Means Committee Tuesday approved \$560 million in additional Social Security cuts for next year in an effort to stay within budget targets already approved

The panel agreed by voice vote to keep the retirement exemption age at 72, rather than lowering it to 70 on Jan. 1. The exemption allows a person 72 years or older to earn any amount of money and still receive Social Security. After considerable debate, the

committee voted 11-6 to eliminate the \$255 lump sum death benefit if there are no surviving beneficiar-

The panel also agreed by voice vote to delay initial checks by one

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menace to Israel's security.

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Audio Forum Dept. 1 - 23

WORLD NEWS BRIEFS Chinese Premier Visits Afghan Refugee Camp The Associated Presi ISLAMABAD, Pakistan - Chinese Premier Zhao Ziyang on Tuesday

flew to the Nasserbagh tent village of Afghan refugees and expressed solidarity with Afghanistan's struggle against Soviet troops. He was accompanied by Pakistani President Mohammed Zia ul-Haq.

companied by rakistani rrestuent recommend Lia ut-riad.

More than 2 million refugees have crossed into Pakistan during the past 18 months since the Soviet Union's intervention. Mr. Zhae expressed hope that Soviet troops will ultimately withdraw from Agnanistan and the refugees will return to their homeland with dignity and

Meanhwile Tuesday, three major Afghan insurgent parties based in Pakistan announced the formation of a coalition called the Islamic Unity of the Holy Warriors of Afghanistan. The new umbrella organization plans to hold a conference within four months to work out details on a requiring a property and to also an approximate and to also a supplications. provisional government and to elect an overall leader.

Crocker Says Pretoria Sincere About Reform

The Associated Press

WASHINGTON — Chester A. Crocker, U.S. assistant secretary of state-designate for Africa, said Tuesday that South Africa is making "a serious and honest effort to move away from apartheid," an effort deserving of U.S. support. "We ... consider that South Africa is a friend of the U.S.," he said.

Mr. Crocker told a conference of editors and broadcasters that the Reagan administration will support a policy of "constructive engagement" as long as South Africa is continuing an anti-apartheid effort. "We believe that effort is being made and we intend to back it insofar as it is being made," he said.

Italy Secrets Passed to Mason, Reports Say United Press Interne

ROME - New documents under study by investigators indicate secret service reports were being passed on to the head of the Masonic lodge at the center of the political scandal that toppled the Italian government

last week, press reports said Tuesday.

The reports said the Rome magistrate in charge of the inquiry was trying to establish whether Grand Master Licio Gelli, believed to have fled to Argentina or Uruguay, was engaged in passing military secrets to East European countries. A warrant has been issued for Mr. Gelli's

arrest on charges of military and political espionage.

The new documents, which strengthened suspicion that secret service members who belonged to the lodge had been passing on reports to Mr. Gelli, came from Marcello Coppetto, a Florence correspondent of the Italian news seemen who for years had been correspondent of the Italian news agency who for years had been compiling a private file on Mr. Gelli and his lodge, called *Propaganda Due*, or P-2.

U.S. Laser Fails to Destroy Air-to-Air Missile The Associated Press

WASHINGTON - The U.S. Air Force failed in its initial effort to shoot down an air-to-air missile with a high-intensity laser light beamfired from an airplane, it was announced Tuesday.

A spokesman said there are two main questions: "Did we miss it? Or did we hit it and nothing happened?" Officials have emphasized that a practical laser weapon is still years away. In Tuesday's test, a laser beam was aimed from a modified KC-135 jet transport at a 2,000 mile-an-hour Sidewinder missile that had been fired from an A-7 fighter-bomber.

[Meanwhile, United Press International quoted a French aerospace journal as reporting that a submarine-launched missile designed to carry France's first multiple warheads failed in a test firing last month and had to be blown up.]

Baker Sees Senate Floor Fight Over Lefever The Associated Pre

WASHINGTON - Senate Republican Leader Howard H. Baker Jr. warned President Reagan Tuesday that he faces a "tough fight"—and a probable Senate filibuster—in his effort to win confirmation of Ernest W. Lefever as his human rights adviser.

Sen. Baker and a White House spokesman briefed reporters on the Tennessee senator's report to the president during a meeting of Republican congressional leaders. Deputy White House press secretary Larry Speakes said the president's position "remains the same as it's always been" in support of Mr. Lefever.

After the meeting, Mr. Baker said that he advised Mr. Reagan that he probably would need 60 Senate votes, the margin required for shutting off a filibuster, instead of the majority of 51 senators necessary to win Mr. Lefever's confirmation. The nominee faces strong opposition in the Senate Foreign Relations Committee, which has called him back for more questioning Thursday.

Israeli Opinion Polls Show Big Turnaround by Begin

mur of complaint.

bean origin.

student in Krakow, Poland, displays a poster bearing the

said, adding that all of the aircraft

returned to base. There was no

Syrian missile or aircraft response,

The raid, which lasted 45 min-

utes and included six U.S.-built F-

4 Phantom jets, according to Beirut's Christian Voice of Leba-

non radio, came after Mr. Habib

and U.S. Secretary of State Alex-

inder M. Haig Jr., in messages to

Mr. Begin, reportedly asked Israel

to call a moratorium on attacks in

In a statement issued Tuesday

night, Mr. Begin said, "Israel will

continue to conduct preventive at-

tacks against the terrorists in order

prevent murderous attacks gainst Israeli citizens." He added

that he never requested a "green

light" from the United States to "defend our sovereign responsibili-

ty," and said that responsibility

In a television interview Tues-day, Mr. Begin said, "We attack the terrorists in their bases and

they are in disarray ... I told Mr.

Habib and everyone else con-

cerned we are going to continue with this defense of our people."

When the April cost-of-living in-

dex was announced last month at 10.4 percent - 125 percent on an

annual basis - the news was bur-

ied in an avalanche of Syrian crisis

stories, and it barely caused a mur-

even an outcry from the inflation-

weary Sephardic Israelis, who

comprise a sizable portion of the

country's lower income groups. Of

the approximately 2.5 million vot-

ers in Israel, about 53 percent are

Sephardic, or oriental, as distinct

from the Ashkenazic Jews of Euro-

Most noticeably, there was not

rests upon Israel alone.

according to the army command.

inscription, "We do not want to be cannon fodder," during a

student protest against reprisals for refusing military service.

Israeli Jets Hit PLO Base

In 2d Strike in Lebanon

JERUSALEM — Israeli jets bombed a Palestinian guerrilla base near the Mediterranean port

city of Tyre on Tuesday, destroy-

ing a headquarters building in the second confirmed Israeli air strike

in Lebanon since the crisis over Syrian missiles there began in

April, the army command con-

The attack underscored Israeli

Prime Minister Menachem Begin's

rejection last week of requests by

the United States to refrain from

conducting bombing missions in

Lebanon until U.S. special envoy Philip C. Habib completes his dip-lomatic mission in an attempt to

The army command said the Is-

raeli warplanes demolished the "regional operating headquarters" of el-Fatah, the principal military

wing of the Palestine Liberation

Organization, in an orange grove near the Tyre-Sidon highway,

about six miles (10 kilometers)

The Israeli pilots reported accu-

rate hits on the building, which

was occupied, the army spokesman

solve the crisis.

north of Tyre.

(Continued from Page 1) Assad," said a Peres adviser, refer-ring to Syrian President Hafez al-

There is no Arab country more feared and loathed in Israel than Syria, given the costly battles in the Golan Heights in 1973 and the episodes of torture and mutilation of Israeli soldiers that are part of the lore of those battles. Mr. Peres has been put in the position of having to support Mr. Begin's position on the threat of the Syrian missiles to Israel's security, while feeling free only to criticize Mr. Begin's management of the crisis. Even then, Mr. Peres has been cautious, apparently fearing that any criticism could be interpreted as a

lack of patriotism. For his part, Mr. Begin has blended anti-Syrian rhetoric with studied military restraint, leaving the impression of a responsible statesman standing firm against the enemy but not willing to commit Israeli soldiers to battle unless

it is absolutely necessary. Practically every night for the last month, the first 10 minutes of Israeli television news has been dominated by footage of the prime minister — Mr. Begin emerging from meetings with U.S. special envoy Philip C. Habib; Mr. Begin talking tough against rejectionis Arab states in unprecedentedly frequent news conferences; Mr. Begin assuring Jewish settlers in the West Bank that he will never yield an inch of occupied territory. and subtly linking the proliferation of settlements to the Syrian

Mr. Begin also seems to have come out of the shell to which he retreated last winter when he contemplated resigning. He has become as combative and tireless in his campaigning as he was when he set out in 1977 to end three decades of Labor Party rule.

And at the same time, Mr. Peres, surrounded by intraparty squabbling and recriminations over what went wrong, appears to be snake-bitten by Mr. Begin's metamorphosis. His public appearances so far have been less than electric, and his advertising campaign -even according to his own staff has been a failure.

The fight over control of the Knesset and government is far from over, and the 10- to 15-per-cent undecided vote is in the bal-

Bani-Sadr Aide Detained After Search of Home

TEHRAN - An aide to Iranian President Abolhassan Bani-Sadr has been arrested, the liberal daily newspaper Mizzn reported Tues-

day.

The paper said revolutionary guards on Sunday arrested Manouchehr Masoudi, an adviser attached to the president's legal department, after searching his home and confiscating a large number of documents, files and larges. He was reportedly about the legal of the larges and the larges are largest and the largest and tapes. He was reportedly taken to Tehran's Evin Prison.

The president's office confirmed the arrest but said the reason for the action was not known. On May 17. another presidential aide, Mor-teza Fazlinezhad, was detained for allegedly stealing secret documents from the Iranian Foreign Ministry. Mr. Bani-Sadr Tuesday did not

make any comments on a warning from a three-man government pan-el that he had violated the constitution and the orders of revolutionary leader Ayatollah Ruhollah Khomeini. However, his advisers said he was expected to make a statement soon.

2d Poll Finds '56 Harvard Alumni Richer but Not Happier Than in '71 The Associa

CAMBRIDGE, Mass. - They're richer, fitter and not as politically liberal as they were 10 years ago, but they're not so sure

they're any happier. In a survey done for their 25th reunion this week, the men of Harvard University's Class of 1956 say more class members than ever before "express second thoughts about various aspects of the path we have taken to reach wherever we are today."

More than 40 percent of the 664 shimmi completing a question-naire said they could not call themselves "contented" or "blessed" despite a class median annual income of \$60,000 and an average

net worth of \$300,000. Half the class called itself liberal in 1971 but now claims to be politically moderate. Eighty percent, however, said they supported

women's liberation and almost the same percentage opposed using "any and all means" to defend "our way of life" anywhere in the world. Only 59 percent said they would choose the same careers today, down from the 75 percent who said in a survey 10 years ago that they were satisfied with their work. "Perhaps a reflection of mid-life crisis, perhaps regrets deriving

from a longer time horizon of introspection, perhaps some jealousy of the wider choice of lifestyles available to today's young people," was responsible for the shift in attitude

Huge Crowd Mourns Zia (Continued from Page 1)

two officers during the attack while in custody.

Bangladesh government officials and other sources generally agreed, however, that Gen. Manzur's motives in launching the rebellion appear to be personal rather than political. It was widely reported that Gen. Manzur, a hero along with the President Zia when he was a general officer in the army during the 1971 breakaway war against Pakistan, had deeply resented a scheduled transfer from his com-mand position in Chittagong to an office job in Dacca as commandant of the army staff college.

According to foreign and Bangladeshi sources, Gen. Manzur, regarded as a brilliant but extremely ambitious officer, had been angry with President Zia since 1979 when the president transferred him to Chittagong in what was seen as a move to keep him out of the way. Gen. Manzur, 43, considered an

intellectual among officers with a masters degree in economics from Dacca University, was politically bard to classify, sources said. During his student days he had been considered pro-Peking, but he later established relations with the Islamic fundamentalists who constitute a key force in Banglodek stitute a key force in Bangladesh politics, one official said.

Dutch Vote to Sever South Africa Treaty

The Associated Press
THE HAGUE — The Dutch
parliament gave final approval
Tuesday to a measure breaking off a 30-year-old cultural treaty with South Africa because of that country's apartheid policy.

French A-Tests To Be Resumed

After a Review PARIS — France will resume nuclear tests in the South Pacific atoll of Mururoa but only after a

thorough review of the program, Defense Minister Charles Hernu said Tuesday.

The new Socialist defense minis ter halted underground tests in French Polynesia last week pend-ing a study of the whole question. In a statement Tuesday, Mr. Her-nu said, "After the time needed to review the matter and in consultation with President François Mit-

terrand, miclear tests will take The new government's decision to halt tests caused an uproar among conservative politicians and service chiefs. Monday night, opposition leader Jacques Chirac denounced the decision to suspend testing as an action "jeopardizing

France's defense system. Underground tests scheduled for Muraros within the next few days were called off shortly before senior staff officers and scientists were to have flown to Tahiti, headquarters of France's nuclear experental center in the Pacific.

Mr. Herms said a committee of experts would review the program and make recommendations. Then, Mr. Mitterrand will decide which weapons will be developed and what tests will be required, officials said.

U.S. Names Beirut Envoy United Press International

WASHINGTON — President leagan on Monday announced that he is nominating carety diplomat Robert Sherwood Dillon as ambassador to Lebanon, Mr. Dillon, 52, will succeed John Gunther Dean, who is resigning





The new U.S. ambassador in El Salvador, Deane R. Hinton, inspects the official honor guard after presenting his credentials to the ruling junta at the presidential palace in San Salvador.

New U.S. Ambassador in Salvador Hopes Military Assistance Will Be Scaled Down

By Dial Torgerson

Las Angeler Times Service
SAN SALVADOR — Calm and
cool amid tropical heat and Yankee baiting questions, the new U.S. ambassador here, Desne R. Hinton, said at a news conference that he hopes U.S. military aid will be scaled down rather than increased. American aid to the military-civilian junta consists of a 54 man

military training group and limited supplies of U.S. equipment, ranging from boots to helicopters. Asked about a Salvadoran official's comment that this country will ask for more such aid, the ambassador said Monday:

"U.S. aid is, of course, a function of the evolving situation. But I'm hoping that we can reduce the number of U.S. trainers."

Mr. Hinton, who arrived here last Thursday, said he hopes that El Salvador's junta — a centrist government supported by military forces with rightist traditions will get more U.S. economic aid.

By Bernard Weinraub

New York Times Service

WASHINGTON — Archibald Cox and Robert H. Bork, both of

whom served as U.S. solicitor gen-

eral, told a Senate panel that legis-

lation seeking to make abortion

illegal would be unconstitutional. Their view met with strong disa-

Judiciary Subcommittee on the

Separation of Powers, Mr. Cox

and Mr. Bork said in essence that it would be improper for Congress to tamper with the ultimate au-

thority of the Supreme Court, which decided on the legality of abortions in 1973. Mr. Bork is Al-

exander Bickel professor of public law at Yale and a conservative le-

Mr. Cox, a Harvard law profes-sor who is a Democrat, said the

current anti-abortion measure be-

fore Congress "should be rejected as a radical and dangerously un-

principled attack upon the founda-tions of our constitutionalism." At issue is a bill sponsored by Sen. Jesse A. Helms, Republican

of North Carolina, and Rep. Hen-ry J. Hyde, Republican from Illi-nois, which would define unborn

babies as living beings from the

Six other witnesses appeared at the hearings, which are scheduled

Taiwan Refuses

China Cables to

Soong Relatives

The Associated Press
PEKING — Taiwan has refused to accept telegrams of condolence tent from Poking to relatives of Soong Ching-ling, the widow of Chinese revolutionary leader Sun

Yat-sen, the Chinese news agency

Miss Soong, whose husband led the 1911 revolution that overthrew China's last emperor, died Friday of leukemia at the age of 90. Short-

ly before her death, she was named ionorary president of China.

The agency reported that telegrams reporting Miss Soong's death and offering condolences

were sent to Taiwanese President Chiang Ching-kuo and armed

forces commander Chiang Wei-

kno. Both are the sons of the late

President Chiang Kai-shek, who was married to Miss Soong's sister.

thorities received a message Mon-

day from the Taipei telecommuni-

telegraph or postal links between China and Taiwan.

LE GRAND CHINOIS

HE BEST CHINES

cation office stating the refusal. There are no direct telephone,

The news agency said Peking au-

reported Tuesday.

prosecute abortion as murder.

gal scholar.

Cox, Bork Both Oppose

U.S. Anti-Abortion Bill

"More economic aid will be needed," he said. "What I am seeking to find out is how much more will be needed, what for, and how we can make sure that it is used to

really help revive the economy."

El Salvador's government, opposed by both the extreme right and leftist guerrillas, is also facing an economic crisis because of low prices for the nation's coffee exports and a flight of capital set off by the civil war.

Mr. Hinton, 58, a 35-year veteran of the Foreign Service, answered hostile questions - mostly from European free-lance journalists — with calm.

"How can you legitimize the support of your government if the support of your government if the spiral of killings by the security forces continues?" an Irish journalist asked. "I hoped you would help." Mr. Hinton replied, "by telling your readers the truth."

The United States, he emphasized, is "defending a reformminded government, and it is nothing to be ashamed of." The junta led by Jose Napoleon Duarte, he said, is "under attack

Court Rejects Claim by Sioux To Black Hills

security forces."

He accused the press of overem-

phasizing stories about killings of civilians by the military forces.

The extreme left, he said, is guilty

of similar excesses. Why, he asked

Mr. Hinton is the first ambassa-

did newsmen not dwell on them?

dor here since January, when Rob-

ert E. White, 54, was removed

from the job amid a public debate

with the Reagan transition team

over U.S. relations with El Salva-

dor. Mr. White, who served here

for one year as an appointee of a

Carter administration seeking to promote human rights in Latin America, resigned from the State

Department and has accused the

Reagan administration of de-em-

phasizing the hnuman rights issue.

y government under attack," Mr.

Hinton said, when asked about the

difference between his assignment

and Mr. White's. "We will contin-

ue to help them. And we will urge

that they conduct themselves in

such a way that there is an abso-

lute minimum of excesses by the

"We consider the junta a friend-

The Associated Press

PIERRE, S.D. - A federal appeals court has rejected an Indian lawsuit that sought \$11 billion and possession of the 7.3 million-acre Black Hills region of South

Dakota. The 8th U.S. Circuit Court of Appeals in St. Louis said Monday that Congress had created the Inbanded, as the sole remedy for claims to the Black Hills.

"This has nothing to do with In-dians," said Russel Barsh, a University of Washington law professor who has helped handle the case. "Under this ruling, Congress can take anybody's property and then pass a law saying you can't go to court and fight it." He said

there would be an appeal.

The Oglala Sioux Indians' lawsuit stems from a 60-year legal battle involving a claim by eight Sioux tribes. The U.S. Supreme Court, which ruled last year that an 1877.
act of Congress illegally seized the
Black Hills from the Sioux, awarded the eight tribes \$105 million — \$17 million plus interest - in compensation for the land.

"It's just totally absurd," Mr. Barsh said of the ruling. "You know, \$17 million wouldn't even becomes the exclusive source of constitutional meaning But Mr. Degler said the Helmspay for the gold that we know white miners took out of the hills in 1877 alone,"

moment of conception, thereby allowing states if they choose to

serts simplicities.

"Conservatives ought to oppose it as a deeply radical measure," concluded Mr. Degler.

to continue in mid-June. These were Professors Robert Nagel of the Cornell University Law School and Basile Uddo of the Loyola University Law School, and four historians, Carl Degler of Stanford, James Mohr of the University of Maryland in Baltimore, Wil-liam Marshner of Christendom College in Front Royal, Va., and Victor Rosenblum of Northwest-

Mr. Uddo said it was within congressional power as a co-equal branch of the government to decide a question not answered by any applicable Supreme Court de-

He was especially caustic about legal experts opposing the bill, say-ing their arguments were laced with misstatement, innuendo, implication, even sarcasm. He singled out Laurence H. Tribe, a Harvard constitutional law specialist, who

constitutional law specialist, who recently told the panel that there was a unison of voices opposing the bill among virtually all careful students of the Constitution.

Mr. Nagel also said the bill is constitutionally sound, arguing that the crucial importance of the courts in our system should not be courts in our system should not be exaggerated so that the judiciary

Hyde bill is not a conservative measure, adding. "It does not con-serve; it innovates. Rather than recognizing complexities in human affairs, as conservatives do, it as-

Muldoon to Visit Bonn BONN — New Zealand's Prime Minister Robert Muldoon will visit West Germany in June following visits to Italy, France and Britain.



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Ex-Hostage Is Denied U.S. Medal

Army Action Based

On Iran Film Role

WASHINGTON — Administrative action may be taken against an Army sergeant who appeared in a film critical of the United States while he was being held hostage in Iran, according to Army sources.

Joseph Subic Jr., 23, of Redford,

Mich., was the only one of 21 servicemen among the 52 Americans held in Tehran for 444 days to be denied a medal for meritorious service under noncombat conditions. The Pentagon announced the awards Monday following their approval by Defense Secretary Caspar W. Weinberger and the Joint Chiefs of Staff, who followed the Army's recommendation in not

fense Meritorious Service Medal. Sgt. 1st Class Donald Hohman. 37, of Sacramento, Calif., emerged as the only official military hero of the hostage crisis. He will receive two medals, including the Soldier's Medal, the Army's highest noncombat award for heroism.

awarding Staff Sgt. Subic the De-

Sgt. Hohman, a medic at the 97th General Hospital at Frankfurt, West Germany, is credited with saving the life of a fellow hostage who became extremely ill from an insect bite and was in danger of dying.

Army sources said the administrative action against Sgt. Subic, now stationed at the Intelligence and Security Command at Arlington Hall, Va., could range from a reprimand to being barred from re-enlistment. He has served seven years with the Army.

An Army spokesman said Sgt. Subic will not receive a medal because he "did not behave under stress the way noncommissioned officers are expected to act." Sgt. Subic and three other hos-

tages appeared in an Iranian film that condemned the role of the United States during the reign of

After his release, Sgt. Subic said the film was faked.

His attorney, Owen Cummins, said Monday of the Army decision: "I don't think they've got the whole picture" of what happened in Iran. He said Sgt. Subic will withhold comment until he is released from the Army within the next 90 days. Marine Sgt. Johnny McKeel Jr.,

a former hostage home on leave in Balch Springs, Texas, said, "I don't think the government should press it anymore. Give him the medal."

Tax Talk With Reagan Splits Democrats By Howell Raines New York Times Service Majority Leader James C. Wright of Texas, Senate Minority Leader WASHINGTON - President

Robert C. Bird of West Virginia, and Sen. Russell B. Long of Loui-Reagan vowed to make no further

compromises on the key points of his tax program in an Oval Office Finance Committee. After the meeting, not even the participants seemed certain where meeting that split the Democratic congressional leadership on whether to continue negotiations or prepare for an all-out right. the tax-cut battle was headed on two key points of difference - the House Speaker Thomas P. O'Neill Jr. of Massachusetts, apduration of the tax-reduction period and the Democrats' demand that the cuts be targeted to help

parently nettled at advance White House publicity about the "last chance" meeting, denounced Monmiddle-income taxpayers. However, there was renewed day's hourlong session as "a media event." He said there was no room talk of compromise — from Rep. Rostenkowski. Treasury Secretary Donald T. Regan and others for further talk about the Reagan tax plan he called "a windfall for even as the senior figures, Mr. Reagan and Rep. O'Neill, took ad-But Rep. Dan Rostenkowski of amant public stands against fur-

ther compromise.

An aide to Rep. O'Neill said that the overture to Rep. Rosten-kowski contained hints that the Illinois, publicly differing with Rep. O'Neill in their joint news conference, said he would urge Democrats on the House Ways and Means Committee to seek a president might even scale back compromise tax-cut program acthe overall size of his tax plan in ceptable to the president. return for its across-the-board fea-The conciliatory attitude of Rep. ture that favors affluent tax payers Rostenkowski, chairman of the and investors. A deal "is salvage-Ways and Means Committee, was able, but I can't assess the probabased, he said, on his hurried conbility for another couple of days," versation with two senior White

the aide said. House officials as the delegation of Mr Reagan told the Democratic five Democrats left the Oval Offleaders that he is committed, as a matter of economic principle and campaign promises, to three suc-cessive years of across-the-board Rep. Rostenkowski said the cuts in the income tax rates. But he Reagan aides told him to "keep the was quoted as saying Monday he would settle for a 5 percent cut in the first year and 10 percent in the door open" for a compromise despite the hard line that Mr. Reagan

next two years.
This is the first time that the

president has publicly backed down from the 10-10-10 formula he advocated in the campaign. However, the Democrats were divided on whether that represents a siana, chairman of the Senate

concession. "There have been concessions," Rep. Rostenkowski said. He noted that the president also agreed to Democratic proposals to reduce estate taxes and the effective tax penalty against married couples, And the administration agreed to liberalize the income tax laws for individual retirement accounts, investment savings and the rehabili-

tation of existing buildings. Even with Mr. Reagan endorsing the 5-10-10 formula, Rep. O'Neill insisted, "I don't consider that he's made any major conces-

"I want no one to understand that the negotiations are closed." Rep. Rostenkowski concluded, in contrast to Rep. O'Neill, who said: I left with the idea that they didn't want to compromise."

The speaker added later, "I had the seeker active later, I had the feeling that we were being set up." Rep. O'Neill said that the White House aides who approached Rep. Rostenkowski and Rep. Wright with the "open door" message also told them: "Don't be as adamant as O'Neill."

The conflicting statements from Rep. Rostenkowski and the speaker indicate some progress in what White House officials acknowledged was a strategy to drive a wedge into the Democratic leader-ship. The officials said that they had been trying for two weeks to coax Rep. Rostenkowski into breaking with his party's leaders and developing a bipartisan mea-sure that Republicans and conserv-ative Democratic acults.

ative Democrats could support in a conlition such as passed Mr. Rengan's budget cuts. The White House view is that Rep. Rostenkowski is willing to draw a compromise bill but is being held back by liberal Demo-crats on the Ways and Means Committee who have overwhelm-

ingly rejected the 5-10-10 formula. Treasury Secretary Regan said Monday that the participants in the Oval Office meeting were fairly close on secondary issues, but held widely divergent views on the basic

principles at stake. The across-the-board feature is a major ideological sticking point. It would give low-income and highincome taxpayers the same per-centage tax reduction, thereby giv-ing the wealthy much larger dollar amounts. Mr. Reagan says this tax saving would be reinvested by the

affluent to spur economic growth. Rep. Rostenkowski wants to concentrate the benefits of any tax cut on taxpayers in the \$20,000 to \$50,000 income range.

Another Democratic objection is that a multiyear tax cut could produce bigger budget deficits, allowing the Reagan administration to justify even deeper cuts in social welfare programs in the second and third years of the tax cut.

U.S. Cancer Institute Is Accused of Laxity Over Grant

By Victor Cohn

Open Door

took in the meeting with Rep. Ros-tenkowski, Rep. O'Neill, House

Washington Post Service
WASHINGTON — The National Cancer Institute gave a New York Medical College scientist a \$910,000 grant last year although in 1979 he had resigned from Boston University after some co-workers contended that his treatment results there contained false data

which he continues to deny. The case will be cited by Sen. Orrin G. Hatch, Republican of Utah, Tuesday as a serious example of "lax surveillance" and "tolerance of mismanagement" by the federal agency that spends a billion dollars a year on cancer research, more than the government spends on any other disease.

Sen. Hatch, chairman of the Senate Labor and Human Resources Committee, will open a hearing on the cancer institute by charging, according to a statement released Monday, that the institute has repeatedly been slow or reluctant to correct or punish mistakes or mismanagement at several reThe most significant incident, Sen Hatch said, took place in 1978 when Dr. Marc Straus — now at New-York Medical College's West-chester County Medical Center resigned from Boston University after a number of doctors and nurses alleged that data in research that he supervised were false.

Soviet Embassy Staff Arrives in Zimbabwe

United Press International
SALISBURY — Four Soviet diplomats have arrived here and begun setting up an embassy, three months after Zimbabwe and the Soviet Union agreed to establish diplomatic relations. The Soviet Union is the last major power to establish links with Prime Minister

Robert Mugabe's government. Vladimir Silkin, who will be charge d'affaires, said Tuesday that seven more diplomats, technicians and staff members would arrive Saturday. He said an ambassa-dor would be posted soon, but he did not identify the envoy.

Also, Sen. Hatch said, it was charged that dangerous chemicals were administered without patient consent in many cases in the same Dr. Straus said Monday that the

accusations against him were false and "maliciously made." He said he will make a statement later this week that "will shed a totally different light on the allegations. "All the allegations were made by people under disciplinary job

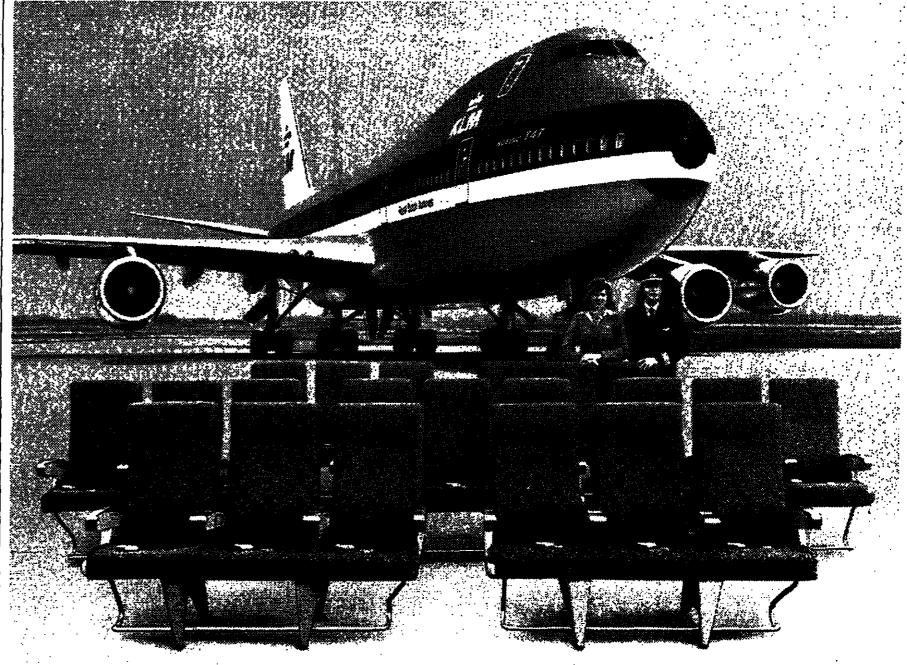
action by me," he said. The charges against Dr. Straus have never been resolved. Despite this, he was awarded the \$910,000 National Cancer Institute grant to study responses of animal and human cells to cancer chemicals. Sen. Hatch said NCI officials did not report the accusations to scientists who conducted a peer review of Dr. Straus' research proposal or the institute's National Cancer Advisory Board, which screens major

Only last July did the institute order an investigation, still incomplete, of Dr. Straus' Boston activi-

In doing cancer research, Dr. Straus needs Food and Drug Administration approval to use experimental drugs. In beginning a pending review of his eligibility. Dr. Frances O. Kelsey, director of scientific investigations in the Food and Drug Administration's Bureau of Drugs, wrote Dr. Straus last August, saying "we believe you ... have repeatedly or deliber-ately submitted false information"

to the National Cancer Institute. Dr. Vincent DeVita Jr., the institute's director, is expected to testify Tuesday in much the same vein in which he wrote Sen. Hatch last Tuesday, saying that the institute initially felt that investigations of Dr. Straus by Boston University and the Eastern Colleges Oncology Group were sufficient, but "in re-trospect I believe" the institute should have investigated promptly. As for not telling peer reviewers

and advisers of the charges, Dr. DeVita said that the charges are still unproven and that Dr. Straus' new grant, unlike his old one, involves no work with actual pa-



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and the concern that Taiwan not be at Pennagon officers, reversing their judge thendship treaty with Moscow."

West Africans' Growing Taste for Rice Becomes Political Issue

By Stephen Powell

ABIDJAN, Ivory Coast - A revolution in West African eating habits is giving rice a growing importance — not only in diet but also in politics.

Rice has played a part recently in toppling two governments in West Africa and the huge increase in rice consump-tion over the last generation is posing enormous problems for the region's politicians and planners

Sidi Coulibaly, the 40-year-old executive secretary of the West Africa Rice Development Association, said: "If you talk to almost anyone of my age they will tell you that when they were children they are rice only on feast days. Now it's every day."

The region is becoming dangerously dependent on rice imports as the gap between production and demand widens. The aim of the rice association is to make its 15 member countries self-sufficient in rice, but there is a long way to

The region is now about 70 percent self-sufficient in rice. If we remain at

this figure of 70 percent, imports will go up and up. It is a dangerous situation." said Mr. Coulibaly.

Because on average only 4 percent of world rice production goes for sale on the international market, reliance on imrts is a recipe for danger if the crops fail in the world's main rice-growing

areas, Asia and North America.

The most extreme case of rising demand is Nigeria, where rice is a hotly

debated issue.

"In Nigeria you have all the factors that make for increased rice demand," Mr. Coulibaly said. "First. greater spending power. When people get richer they change from traditional foods such as yams and buy the more prestigious food give increased." food, rice, instead

Political Effect

"Then there is urbanization. When Africans move to towns they eat more rice. It's easy to stock and easy to pre-

In 1960-64 the rice association's 15 member states imported about 300,000 tons of rice a year. This year, agriculturexperts in Lagos estimate that Nigeria

alone will import twice this amount. In 1975, according to association figures, it imported 40,000 tons.

in April, 1979, in Liberia, about 100 people were killed in riots caused by a proposed increase in the price of rice.

A U.S. agricultural expert wrote nine months later that the riots "were a warning for all of West Africa ... Consumers in this part of the world are now very touchy when it comes to both rice prices and rice supplies."

In April, 1980, three months after those words were written, the Liberian government of President William Tolbert was overthrown and he was killed. The new military rulers said they were furthering "the struggle for rights and rice." Mr. Tolbert's family were the biggest rice dealers in Liberia.

A coup in Guinea-Bissau last November was nicknamed the "rice coup" because it was preceded by a chronic shortage of rice in the main towns.

emigration.
Mr. Cuomo said that aside from

the Italian government's reluc-

tance to pour money into a de-

pressed area. Rome also holds a

long-standing bias against developing the south. He added that if

Rome's approval, "we will simply go ahead with the help of the local

Different Agencies

that there are two types of relief groups handling American contri-

butions: operating agencies that do their own field work and volun-

tary agencies that, lacking overseas

personnel, must hand over funds

to the operating agencies. Two in-

ternational operating agencies, the

Red Cross and Catholic Relief Services, each have collected \$10 mil-

lion and are distributing it in various forms in Italy. The Salvation

Army is also dispensing \$9 million.

Voluntary agencies with no staff to distribute funds have been

The Sons of Italy, for example, raised \$2 million and spent half of

"All roads lead to Rome," says

county executive of Westchester,

\$250,000 in direct aid.
Using this individualized strate-

gy, American companies can pro-

vide long-range support by estab-lishing industrial links with south-

ern Italy, Richard Gardner, the

former ambassador to Italy who

visited the stricken area, stressed

the potential for American inves-

tors in joint ventures to stimulate

growth of industry, agriculture and

tourism in the south. Relief proj-

ness for the American drug and

housing industry. Mr. Gardner

suggested that the U.S. govern-

ment money finance projects visi-ble to the average Italian, such as

community facilities.

ects are expected to produce busi-

and has already given

Complicating efforts is the fact

committee cannot work with

In Nigeria, a columnist wrote a few months ago in the state-owned New Ni-gerian newspaper: "Suddenly rice has moved to the center not only of the aver-

age Nigerian's menu but of Nigerian politics in the early 80s."

Nigerian rice production rose from 550,000 tons in 1978 to 725,000 tons in 1980, but demand is rising faster, and prices are very high. One agricultural an-alyst said the landed import price for a 110-pound (50 kilogram) bag of rice at Lagos is equivalent to \$25 to \$28. It is now selling in Lagos markets for between \$90 and \$100.

Senghor's Appeal

In Senegal, former President Leopold Sedar Senghor urged his countrymen to vary their diet and cut down on rice, but appeal fell on deaf ears. The 1 million people of Dakar alone eat more rice than all of Senegal produces.

Mr. Coulibaly of the West Africa Rice Development Association says consumption has grown at an annual rate of 5 percent in recent years, and certainly will continue to rise.

The main thrust of the association's strategy is to try to introduce more irrigated farming. Only 10 percent of West Africa's rice is grown with any degree of

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STEWNARDS TO LANGUAGE THE HELDERS SE

PER IL COMUNISMO

BRIGADES' CAPTIVE — A picture sent by the Red Brigades

to a Venice newspaper on Monday shows Guiseppe Talierco,

54, an executive of a petrochemical company who was kid-

napped May 20. The sign demands an end to exploitation of

factory workers and shorter hours to create more jobs.

On Cambodian Occupation

an nations have been discussing a cutoff of UN aid to Vietnam to punish it for defying the General

Assembly's demand that it remove

its troops. If the effort succeeds -

and the prospects are not rated

highly — Hanoi could lose as much as \$11 million, which it is

due to receive this year from the UN Development Program. No

UN member has ever been denied

UN assistance because it has de-

fied the organization, officials said.

has the declared aim of negotiating the withdrawal of Hanoi's forces

and providing for UN-supervised elections in the country. The con-ference was to be held early in

1981, according to a General As-sembly resolution adopted

overwhelmingly last fall.

Both Vietnam and the Soviet

Union have opposed the UN meeting, insisting that the world must recognize that Cambodia is gov-

erned by the regime of President

Heng Samrin. His government was installed in Phnom Penh by Viet-

namese troops, who continue to battle the regime's Cambodian

Leading opponents of the Viet-

namese occupation are China and the members of the Association of Southeast Asian Nations — Singa-pore, Indonesia, the Philippines, Malaysia and Thailand. They have

been pressing for a UN conference limited to 30 or 35 of the principal

countries involved in the Cambo-

Chess Championship Set

The Associated Press

chess championship between title-holder Anatoly Karpov of the So-viet Union and challenger Victor

Korchaoi, a Soviet exile, will begin

Sept. 19 in this north Italian resort, organizers announced Tuesday. There will be three matches a

week, and six matches are needed

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MERANO. Italy - The world

The conference on Cambodia

UN Conference Expected

MY TO THER FRIANCE INCHES

By Bernard D. Nossiter

New York Times Service

Fresh efforts to press for a with-drawal of Vietnamese troops from

Cambodia are about to be made at

the United Nations, according to

Waldheim is expected to announce

that a long-delayed conference on

Cambodia will be held in New York beginning on July 13. About

65 nations are expected to attend

but diplomats said Monday that

two of the most important coun-tries involved in the situation —

The conference is expected to establish a smaller, continuing

group that would leave the way

open for possible negotiations with

At the same time, Southeast Asi-

Vietnam and the Soviet Union

would boycott the gathering.

Hanoi and Moscow.

UN Secretary-General Kurt

Asian diplomats.

UNITED NATIONS, N.Y. -

TRUSMOMULTINAZIONALE

MEDIMASSA RIVULLIZIONIRI

TRURIVOLUCIONORIO DEL CHPIE

water control while 60 percent is rainfed rice and 30 percent mangrove or floating rice.

Major irrigation schemes have proved difficult to bring to fruition.

The most famous was the French colonial project to irrigate 2.5 million acres () million hectares) in the internal delta of the Niger River. Only about 150,000 acres is now under irrigation, and this great area in the heart of Mali still has

unfulfilled potential. A study by Stanford University two years ago said that Mali was one of only two rice association members that appeared a likely exporter of rice by 1990. The other was Sierra Leone, though since the report was published even Sierra Leone's imports have risen considerably.

Unlike Southeast Asia, West Africa has no long tradition of rice-growing, so farmers lack experience. Yields are low, on average 3 tons per acre, as against 12.5 tons per acre in Southeast Asia. Rice association officials say lack of financial incentives to farmers is another reason for low production.

Gabon Sees

Key to Aid in

Census Data

By Susan Linnee

The Associated Press

Gabon have a population of 1.3

million as the government officially lists it? Or is it 800,000 as indi-

cated by the preliminary results of

a United Nations-conducted cen-

Bank calculates in its 1980 atlas?

s? Or is it 645,000 as the World

The number of people in the

country has become a sensitive

With an annual per capita in-come the equivalent of \$3,280, based on World Bank figures, Ga-

bon is the second most prosperous

nation in Africa, statistically speaking (Libya, a fellow OPEC member, ranks first.) That makes

it difficult for Gabon to qualify for

preferred development loans and

bution in this former French col-

ony, however, indicated that less

than 1 percent of the population receives more than 80 percent of the revenue derived from the sale

of oil and timber, the traditional

Oil Money

Although Gabon enjoyed an oil boom in 1974-76 that resulted in a flurry of official construction proj-

ects, the trickle-down effect of oil

wealth has been minimal. Accord-

ing to an International Labor Or-

ganization study, petroleum pro-duction accounted for 40 percent

1975 but only 3 percent of house-

the gross national product in

Petroleum production is around

Gabon would like to take ad-

vantage of soft loans and other

concessional assistance available

to developing countries, but its per capita income figure is too high to

allow the country to qualify for most aid programs. If the popula-

tion were greater, the per capita in-come would go down.

The Ministry of Planning has

refused to accept the census report

it received from a UN team in De-

cember, even though the govern-ment requested the survey. The

project is at a standstill, and the

director has left the country, ac-

cording to a census team member

Two years in planning, the cen-sus was carried out last August by

a UN group working with 60 Ga-

Thick Forest, Bad Roads

er UN project maintained that census-taking was not terribly dif-

ficult despite dense tropical forest

"Most of the people in the inte-tior live in small villages along the roads, and they know the

whereabouts of everyone else," he

said. "And with a highly central-ized administration based on the

French system, there is little that is

population at the time of inde-pendence in 1960 was 580,000. In 1970, the government said there were 950,000 Gabonese, indicating

a population growth rate that ex-perts claim is highly unlikely.

team member said. "But there is

no way the figures can be changed to make it look as though there are more people than we counted."

The government also has set up an institute to study sterility, much of which is caused by particularly

virulent strains of venereal disease,

doctors say. The institute is largely supported by Elf-Gabon, the French-based company responsi-

ble for most of Gabon's oil pro-

"The government doesn't like the results so we're not going any-where and we've stopped analyz-ing the rest of the data," the UN

The French said the country's

A sociologist involved in anoth-

bonese enumerators.

and bad roads.

not known."

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who asked not to be identified.

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new offshore deposits reported.

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and important issue here.

aid from abroad.

export.

hold income.

LIBREVILLE, Gabon - Does

South Africa Blacks **Deeply Divided Over Opposition Strategy**

By Caryle Murphy Vashington Post Service

JOHANNESBURG - Personal and ideological differences among black groups fighting apartheid in South Africa appear to have deep-ened over the last five years, undercutting the black protest movement's effectiveness.

The black consciousness movement has failed to recover from what amounted to a political lobotomy in October, 1977, when authorities banned [8 organizations and imprisoned 50 of their leaders. Partly as a result, the movement is saddled with second-rate leaders and plagued by divisions. It is foundering as it attempts to define a cohesive philosophy of "liber-ation" and remains without effective grass-roots organization.

Even more crippling for any national black resistance to govern-ment policies is the bitter rivalry between this fractured black consciousness movement and Inkatha, the largest black political organiza-tion in the country led by Zulu chief Gatsha Buthelezi.

Inkatha's rapid organizational growth since 1976 — burgeoning from 40,000 to more than 300,000 members, according to audited dues lists — has combined with the fraility of the black consciousness movement and heavy police surveillance and harassment to harden the lines between these two competing groups.

"The severity and bitterness of these conflicts have increased over the past two years," writes a South African opinion poll-taker and so-ciologist, Lawrence Schlemmer.

The third major factor in South African black protest politics is the guerrilla organizations: the Afri-can National Congress and, to a lesser extent, its rival, the Pan-Africanist Congress. But since both are banned, their sympathizers work underground or through other, overt organizations. As a movement, the African National Congress takes an ambivalent stance toward black consciousness and Inkatha, ranging from indif-

ference to hostility.

South Africa's black population of about 20 million has always had - and no doubt will continue to have - various political persuasions and parties, given its ethnic and geographical differences. But the failure of these three

groups, particularly the two overt ones, to formulate common strategies is preventing a potentially stronger opposition to the government, even given the restrictive parameters allowed black politics in this country.

"It does make the liberation struggle much more difficult to get on an even keel," said a black jour-nalist. "They spend so much ener-gy fighting each other they have less time to fight the government."

Lukewarm Support

For example, in early 1980 black consciousness activists in Soweto began a campaign to gather peti-tions calling on the government to release the imprisoned African National Congress leader Nelson Mandela They did not ask Inkatha to help organize the campaign. to buy up to 30 times that amount Inkatha gave it only lukewarm on the black market.

support. Chief Buthelezi publicly criticized it for hurting behind-thescenes efforts he was making to get the government to release Mr. Mandela.

The lack of coordination probably limited the success of the cam-paign, which folded with less than 80,000 signatures.

In another area, Inkatha has set up a multiracial commission to study alternative constitutional models for South Africa. The black consciousness groups have not been invited to participate and they would refuse the invitation if they got one, they say. A prominent black regarded as a spokesman for black consciousness in Johannesburg told some whites that if they participate in the commission, he will not cooperate with

them in the future.
The issues dividing Inkatha and the black consciousness movement relate to the role, if any, whites can play in blacks' emancipation, whether to negotiate with the gov-ernment for incremental changes and the merits of Socialism com-

pared to free enterprise. But the main dispute between the two groups concerns black po-litical protest — whether to work through the system or to refuse totally to collaborate and adopt confrontational although not necessarily violent tactics.

Budget Reforms Aim at Reviving Uganda Economy

KAMPALA, Uganda -- President Milton Obote has announced a series of drastic budget reforms, including an effective devaluation of the shilling, as part of "major surgery" on Uganda's weak economy. The new budget was seen largely as compliance with the demands of donor countries and in-

ternational agencies.

"There will be a need for the tightening of our belts," Mr. Obote told a special budget session of Partiament on Monday. "Uganda is economically sick and the economy needs major surgery."

Riddled by black marketeering and smuggling, the Ugandan economy has been struggling since Idi Amin's ruinous eight-year rule ended in 1979. Mr. Obote put the balance-of-payments deficit for the 1980-1981 fiscal year at \$200 million. His budget predicted a deficit of \$147 million for the coming

Mr. Obote announced an end to price controls on foodstuffs and ssential commodities, increases in the prices paid to producers of export crops, grants and loans total-ing \$267 million from the World Bank and the International Monetary Fund, and new fixed prices for gasoline, sugar, cigarettes and

He said the shilling would be allowed to float against all foreign currencies until it finds a realistic value. This means a considerable devaluation. The shilling has been pegged artificially at 7.08 to the dollar, but the dollar has been able

tions Information Committeee - of which the United States and

other industrial nations are mem-

bers - agreed that additional fi-

nancial support should be sought

to "ensure the continuous and effi-

cient dissemination of information

on development issues and on a

new international economic or-

Charles M. Lichtenstein, a deputy U.S. delegate in charge of information, said Monday that the U.S. position reflected "the very strong

split in the Western group ... The U.S. and the U.K. are on one side,

He said it was "obviously inappropriate to expend a dollar of UN funds for this purpose ... We feel that it is probably inappropriate for the UN to lend its name to this purpose ... The form of the transfer whether the same to the sam

sort of promotion, whatever the source of the funds."

U.S. officials suggested that they opposed using the United Nations as a conduit for private funds to

newspapers and would try to per-suade UN Secretary-General Kurt Waldbeim to adopt this view.

Information Committee have

urged that funds for the supplements be provided directly by UN

organizations or from contribu-

But Third World nations on the

others are on the other."

U.S. Backing UN Program Of Indirect Press Subsidies

New York Times Service UNITED NATIONS, N.Y. The United States has joined other industrial nations in endorsing a plan under which the United Na-tions has indirectly subsidized foreign newspapers that publish articles promoting UN views on aid to the Third World. However, officials described the

U.S. position as a move to head off proposals by France and West Germany to use UN funds for direct press subsidies.

For the past two years, the UN has distributed money — received from a private donation — to 15 foreign papers, which published quarterly supplements supporting UN views. Although some of the articles were written by UN officials, the supplements gave no indication that funds had been provided through the body. Le Monde and Asahi Shimbun received the biggest payments — \$48,000 each.

Very Strong Split

The program, financed by a \$1.25-million donation from a conservative Japanese businessman,

Ryoichi Sasakawa, has run out of money. The search for new financing led last week to the disclosure

of the subisidies.

On May 22, before the disclosure of the plan, the United Na-

tions by member states.

DEATH NOTICE

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Mr. C.A. FERGUSON Group Vice President for European Operations

on June 1st, 1981, as the result of an accident at home on

There will be a memorial service at the American Protestant Church, 19 Kattenberg, 1170 Brussels, at 11:00 a.m. on June 4, 1981.

No flowers by request of the family but donations may be sent to the American Protestant Church, Brussels, or the Salvation Army, Brussels, or the American Cancer Society.

\$85 Million in U.S. Aid to Quake Victims Stymied by Italian Bureaucratic Delays be used to build schools, Mr. Phip-pard said, since the Italians do not want to lose young families from an area already known for high

New York Times Service
NEW YORK — Last November's earthquake in southern Italy, which killed 3,000 persons and demolished 365 villages, has generated promises of \$85 million from the United States, but the money is only now beginning to arrive after

extensive bureaucratic delay.

Despite an appropriation of \$50 million in December, the U.S. Congress so far has spent only \$4.2 million, mainly for immediate needs of the eight million victims. An estimated 250,000 people remain homeless.

The Agency for International Development, an arm of the State Department, still holds \$45 million that will be provided in projects decided upon with the Italian gov-

ernment, according to James Phip-pard, an AID director. Expectations of a coherent plan from Rome may be unrealistic, suggests Mario Cuomo, the lieutenant governor of New York who founded a committee to oversee U.S. funds for Italy. His group has been frus-

trated, he says, by bureaucracy.
Italy has yet to set policy on such fundamental questions as to what extent areas should be rebuilt that are geologically unstable and economically underdeveloped, Mr. Cuomo said. The region southeast of Naples is one of Italy's poorest and this has led to a seasonal exodus of men to jobs in Switzerland

and West Germany.

The remaining \$45 million in congressional funds probably will

British Government Helping Firm. To Put Edible Fungus on Market

LONDON — A high-protein edible fungus, similar in texture to meat and which could ease world food shortages, has been developed by a British company.

The company, Rank Hovis
McDougall, said it has spent 17 years developing the substance,

which is produced by a method

called biotechnology which in-volves changing carbohydrates

into protein through a fermentation process similar to bread-mak-The British government has approved the fungus as fit for human consumption and the company an nounced Monday that it had received financial backing from the government for developing the

BETTER THAN GOLD

food for commercial sale.

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pany spokesman said it could be on sale within a year. He said the products — after some test marketing — would probably be aimed at commercial markets in the West, but could

American Held In Threat Case

The fungus is tasteless on its own but can be processed into a wide-range of flavored foods such as soups, pies and biscuits. A com-

The Associated Press magistrate's court Tuesday

Lady Diana Spencer.
Mr. Zen is also charged with sending what police described as a "hoax device" to Queen Elizabeth II, and with threatening to destroy

LONDON - An unemployed American living in Britain, Ronald Zen, 42, appeared in a London

held in custody until June 9.

it for vaccines, but the difficulty is in using the remainder. Dozens of smaller civic groups — including Save the Children, which raised To U.K. Royalty \$187,000, and the American Jewish Joint Distribution Committee which raised \$145,000 -- have col-

charges of threatening to kill Prince Charles and his fiances,

an unspecified number of London

lected \$4 million that still awaits distribution. Keith Drake, director of Adottare, or Adopt, which circumvents the Italian bureaucracy by asking American towns to send funds directly to sister cities. Adottare was developed by Alfred DelBello, the

shopping for projects, a spokesman for the American Council of Voluntary Agencies said. Some Italian-American civic leaders argue that huge capital investments also have an impact on food short-ages in the Third World. require patience, while others comlain about months of what seems like indecision.

On application from a detective of Scotland Yard's anti-terrorist quad, Mr. Zen was ordered to be He made no application for bail and did not speak during the brief арреагалсе

le mut de Cartier
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Tanner's 'Light Years Away' Inventive

Thomas Quinn Curtiss International Revaid Tribune PARIS—Several of the Cannes festival winners—and several

of the Cannes festival losers have received immediate release in France and elsewhere in Europe. The most worthy of these is "Light Years Away," ("Les Annees Lumiere"), which deservedly took the special jury prize. Its Swiss director, Alain Tanner, based his

scenario on Daniel Odier's novel

of the Icarus theme and shot it in English on location in Ireland. Though the novel written in French, leaves its characters undefined, its story is persuasively suited to the Irish scene, its curious blend of fairy tale, way humor and the macabre being in harmony with the Celtic temperament. There is a Dunsanyesque flavor to

its strange fantasy. A crazy, cold hermit visits Dublin and by mysterious mutters lures a bored young barman to join him in his rural retreat where in dim'secrecy he is toiling in some carthshaking discovery. His laboratory is an aviary in which he s birds to learn the technique of flying. His experiment when he puts his theories into practice costs him his life, but he has so hypnotized his disciple that the youth.

follows in his master's footsteps Tanner has succeeded in casting a binding spell over the incidents of his script and has extracted communendable performances from his principals — Trevor. Howard as the shabby sorcerer

10

and Mick Ford as the faithful pu-pil. The result is a film of uncommon artistry that holds attention throughout with its intriguing in-vention. It is in English at the Saint-Andre-des-Arts, the Balzac Elysees, and Les 14-Juillet Bastille, among others.

Michael Mann's television film. The Jericho Mile," an honest and moving account of the rehabilita-tion of a prisoner who trains for long distance running in the Olympics, introduced a young director of exceptional promise when it was seen at the Deanville festival last September. It is playing in Paris as "Comme un homme libre," and is

The new Mann film, "Thief," is, alas, so lacking in the freshness, vitality and spontancity of his initial try that it might be mistaken for the work of a regulation studio hand. It exploits the latest methods in blasting sound effects and has been produced at considerable expense, but it is hollow. An artificiality troubles almost everything that happens in its course, and its investigation of a hardened professional burglar's lifestyle is unnecessary and depressing information.

James Caan impersonates its ruthless bandit head-on and with unrelieved monotony, and one soon tires of his presence and

problems. Neither he nor the com- the first order, but theatrically it plicated modus operandi of his robberies makes a compelling call on one's sympathy or interest. He is the stock movie gangster let oose again and inspected exhaustively. There is a brief, helpful bit by Tuesday Weld, an able comedian too infrequently on the screen.

"Thicf" is playing as "Le Soli-taire" at the Forum Cinemas, the UGC Elysces and Danton and the Magic Convention in English. In the Cannes festival competition, it made no stir. The only encouraging news connected with it is that it is Mann's swan song to the underworld genre. His next will be a science fiction opus. Screen robbers and screen robberies have en done to death for the time being, and a moratorium should be

"Excaliber," John Boorman's re-telling of the Arthuran legend, suggests a fancy-dress ball gone wrong and skirting burlesque, with its mannered pomposity askew. Its pageantry has flair. Its "artwork," photography and costuming are of creaks like rusty armor. The laborious dialogue spreads

a dank gloom over the proceedings, and its players, reciting gro-tesquely highfaintin lines, seek desparately to rescue it from turnbling into downright parody. They do not always succeed. As speciacle, it has pretty lines, but as drama it weighs a ton and clanks loudly. It is at the Hautefeuille Pathe, the Gaumont Champs-Flysees and the Gaumont-Les Halles in English.

"Neige," by Juliet Berto and Jean-Henri Roger, an able pair of directorial novices, is a neo-realist study of drug traffic in Pigalle. It is almost of documentary design with its vivid camera-of-truth photography, but its script is fiction. The Montmartre milien, to judge by this report, differs only sartorially from the Montmartre of the turn of the century as caught by Toulouse-Lautrec's brush. Gaslight has been replaced by neon and carriages by automo-biles, but essentially it is the same



Trevor Howard and Mick Ford in "Light Years Away."

first full-length feature by its au- among other theaters.

The characters that compose the rogue's gallery the film spotlights on a duo of cinematic virtuosos. It might have stepped from the pages is at the UGC Opera, the UGC Biof Carco's "Jesus la Caille." The arritz and the Cluny Ecoles,

Jazz Festivals

Some Principal Dates on This Summer's Calendar

PARIS — Here are some highlights of the Enropean summer jazz festival circuit, which

continues to grow in size and duration. The list includes high points the programs, lelephone numbers (and area codes) and the occasional address where more information may be sought.

Paris (June 9-18): Bobino Theatre: Max Reach, Lester Bowie, Dave Brubeck, Mingus Dynasty and six other big names, one each night, in a prestigious Montpar nasse theater. (1-322-7484)

Paris (June 16-19): Festival du Marzis at the Cafe de la Gare: "The Branches of Jazz" — Afro, Salsa, Gypsy, South Ameri-can and Enro-jazz, Highlight, on June 17: Cypsy guitarists Boulou and Flios Ferre, plus the versatile Argentine percussionist Martin Saint Pierre. (I-887-7431)

Pies, linky (June 17-28): Biossoming trom-bonist Ray Anderson, Junny Ginffre, An-thony Branton, Alexander Schlippenbach and the talented American expatriate bassist Barre Phillips. (504-8456)

Neurical, West Garmany (June 20-21): Huro-jazz including Terje Rypdal, Joachim Kuhn, Marcelav Vitous, the British saxo-phonist and synthesizer player John Sur-man and the underrand Czech gartarist Rudolf Dasek (2-637-65-668)

Montreex (July 3-19): The 15th annual festival at this Swiss lakeside resent has caught up with its increasingly echotic per-

sonality by dropping the word "jazz" from its title, but there's still plenty of it left. The assortment includes Salsa star Ray Barretto, Chick Corea, Mighty Clouds of Joy, James Blood Ulmer, Toots and the Maynulls, Ella Fitzgerald, Stray Cats, Arthur Elythe, McCoy Tyner, James Brown, Eddie (Cleanhead) Vinson, Stephane Grappelli, Al Jarrean and Herthe Hancock, plus two mights featuring his hands from American nights featuring big bands from American universities. (21-61-33-84)

Veiden, Austria (July 3-5): John McLaughlin's new band, Art Pepper (can-didate for comeback of the '80s), Stan Getz, Meinphis Slim, Dexter Gordon and more

The Hague (July 10-12): The North Sea Festival is a well-managed, joyful super-market, with about 600 musicians performing in the Congress Center's nine halls for 10 hours each day. Dorothy Donegan, Os-car Peterson, Tito Puente, Frankie Donlop, car Peterson, Tito Puente, Frankie Duntop, Lionel Hampton, Mel Torme, Trummy Young, Celia Cruz, Arnette Cobb, Ahmad Jamal, Kai Winding, Taj Mahal, Doc Cheatham, Scott Hamilton, Claude Luter, The Heath Brothers, Art Taylor, David Grisunan, Luther Allison and so on; plus fore cinema and widen issee books izez. Tjazz cincuna and video, jazz books, jazz Tshirts, jazz paintings, jazz snacks and jazz. camping. (70-54-29-58)

Nice (July 11-21): Accenting tradition leorge Wein's Grande Parade du Jazz takes place on three simultaneously run p.m. until midnight —a picnic more than a p.10. cann and angui — a pacme more tism a supermarket or even a concert. Clark Terry and the Basic Alumni All Stars, Richie Cole's Alto Madness, Cedar Walton, Woody Shaw, Teddy Wilson, John Lewis, Lightmin Hopkins, Cruck Berry, Vie Dickenson, Buddy De Franco, Bob Crosby and the Bobcats, Red Rodney, Ira Sullivan — 250 musicians playing 231 concerts in 11 days. (Hotel Mercure, 2, Rue Halevy, Nice).

Names, France (July 11-18): Jazz in the arena with Dizzy Gillespie, Milt Jackson, Michael Brecker, Muhal Richard Abram, James Moody, James Newton, plus workshops and seminars for fearless fans and bodding jazzers. Everybody gets an ear. and budding jazzers. Everybody gets an ear.
(Jazz Club, 45 Rue Flamande, Nimes.)

San Sebastian, Spain (July 15-19): Weather Report, Freddie Hubbard, Chick Corea and McCoy Tyner. (41-31-80)

Paris (July 15-22): Olympia Theatre: Lionel Hampton, Chuck Berry, Lalo Schif-rin, Herbie Hancock, Basie Alumni, Dizzy Gillespie. (1-742-5611)

. * * * Autibes, France (July 17-25): Many of the Assures, Prance (sury 1 reary many to mames listed above, plus everybody's choice for the hall of fame, Gil Brans, Airto, Albert Collins, Albert King, Sarah Vanghan, Sadao Watanabe (No. 1 in Japan) and Martin Land, which srands alarming alarming statements. tial Solal's big band, which sounds ingly like Stan Kenton. (93-33-95-64)

London (July 18-19 and 25-26): Capital Radio Pestival: Still more of the same names, in addition to British heavies like Zoot Money, Roamie Scott and Barbara Thompson. (1-388-1288)

Molde, Norway (Aug. 3-8): Joe Pass, ture of a hving person.

trumpeter Thomas Stanko, Finnish drummer Edward Vasela, Reggie Workman, James Newton and others. (72-53-779)

Willisan, Switzerland (Aug. 27-39): The season's finale, a big, avant-garde meeting in a small, picturesque Swiss town. San Ra Arkestra, Kent Carter's String Five, Sam Rivers, Rashied Ali, Pharaoh Sanders, Pat Metheny, Charlie Raden, Dewey Redman. (45-81-27-31)

The June issue of the French Jazz Magazine has a festival roundup with 150 biographies, practical details and a list of smaller festivals for which there is

-- MICHAEL ZWERIN

Khomeini Signature Is Bought for \$800 United Press International

NEW YORK — An anonymous collector spent \$800 for the signature of Iran's Ayatollah Ruhollah Khomeini at an auction in New York held by the Universal Autograph Colectors Club.

The price for Khomeini's signacount, at once dignified and randy. ture, written on an envelope some-time after the religious leader as-Though Samuel Ramey had a cold, he sang with what seemed somed control in Iran in 1979, was unimpaired skill and acted Figuro with youthful, but happily con-trolled high spirits. The smaller the highest ever paid for the signa-

parts were all excellently assigned and Muti rightly opened all the MILAN — These are exciting days at La Scala. As the sea-

William Weaver

son draws to its close, the house is

presenting two of its most success-

ful productions of recent years, a

new staging of "Le Nozze di Fi-

garo" conducted by Riccardo

Muti, and a revival of the still-

splendid Zeffirelli production of "La Boheme" with Carlos Kleiber

Though Muti has conducted at

La Scala before, this time the pro-

duction was decreed especially for

him and he worked with the stage

director, Giorgio Strehler, from the

So. as far as the Milanesi are

concerned, this was Muti's Scala

debut. The newspapers and some

fans have tried to create a rivalry

between Muti and Claudio Abba-

do, along the lines of the famous Callas-Tebaldi opposition of a generation ago. The ploy has not

really worked. Unlike the divas,

Special Mozert Sound

he demonstrated a year or so ago, with a "Figaro" mounted in his

regular theater, the Comunale in

Florence, he has a deep affinity for

this work and a remarkable capaci-

ty for creating his special Mozart

sound, a compelling blend of deli-

flawed by eccentric staging and in-

adequate casting. At La Scala, Strehler, assisted by the talents of

Ezio Frigerio on sets and Franca

Squarciapino on costumes, did

The Scala stage space was slightly reduced, in keeping with the in-

imate musical interpretations.

Thus the singers did not have to

make exaggerated gestures or ex-

cessive movements (though Sona

Ghazarian, otherwise a bright

Susanna, indulged in mugging oc-

casionally). The complications of

the garden scene were simply, ef-

fectively worked out.

Muti, when he wanted could

make the Scala orchestra sound like a chamber group, and yet the climaxes never lacked impact. The

pace was lively, but not rushed:

The singers were allowed to enjoy

their arias. Julia Varady was an

aristocratic countess, and Wolf-

gang Brendel (except for his faulty

Italian enunciation) a handsome

That Florence "Figaro"

cacy and power.

at the helm.

beginning.

nai Heraid Tribune

Opera in Milan

Muti Conducts an Exciting 'Figaro'

cuts. Though the evening lasted over four hours, it never seemed long. For "La Boheme," Kleiber, of course, had a larger orchestra and

he produced a large, generous, ro-mantic sound. The tempos were broad and the great tunes swelled and filled the house. The thousand cogent details of the Puccini score were handled with attention and understanding: a crystalline reading, limpid as well as warm. Mirella Freni has never sung Mimi with

greater style and feeling. The rest of the cast — Peter Dvorsky as Rodolfo and Leo Nucci as Marcello - was not quite on this level, but was nevertheless excellent.

Though almost 20 years old. Franco Zeffirelli's production has held up marvelously and is a joy to see, even though, with time, some of the invention (especially in the Cafe Momus scene) has blurred. For the rest, this scene was notable for the precision and commitment of the chorus, obviously fired by Kleiber's coherent and enriching

Services

U.K.'s Universal Aunts: 60 Years of Know-How

both conductors are tight-lipped; and each has his own distinct and New York Times Service ONDON - Packing a panda L to Pamplona? Seeking a witness for your impromptu marriage? Few tasks are beyond the scope of Universal Aunts, a battal-Still, there was some electricity ion of 18- to 80-year-olds whose generated by what might have seemed a Muti invasion of what slogan "Anything for anyone at any time" has propelled them, in until a short time ago, was Abbado territory. Muti's "Figaro" would many people's eyes, into the ranks of British institutions. have been electric in any case. As

For 60 years determined women and more recently men - have been tackling clients' requests to escort children around London, pack up houses, purchase obscure delicacies, find accommodations and answer questions on virtually any subject. Universal Aunts, which is at 36 Walpole Street, Chelsea, London SW3 (telephone 1-730-9834), advises customers where to find heraldry experts, how to dress for garden fetes and where to get their Gainsboroughs valued. It plans world tours as easily as it caters for banquets. The prices vary with the service.

In 1921 Gertrude Maclean, a London social figure and favorite aunt in her own family, founded Universal Aunts primarily to chaperone children during school holidays while their parents were in colonial outposts. A year later the venture became a company and business snowballed. Now its staff numbers 400, including about 20

'What to Say'

"People write us asking what to say to royals when they meet them at the summer's garden party or where to get pearls strung without having to go to an expensive jeweler," said Kate Herbert-Hunting, joint managing director.
What we have is a lot of common sense information — and only the most up to date."

Home repairs can be set up. Au pairs, proxy mothers and secretaries can be hired. Sightseeing trips

are arranged as easily as discotheques are run. Queries de-manding professional attention are directed to experts.

A special division deals with the more bizarre requests: shipping a telephone booth to Milan, tracking down barbeque equipment large enough to roast an ox, flying a loaf of bread to Kenya, arranging for a young woman clad only in silver foil to emerge from a container at

Is there anything Universal Aunts refuses to do? "Aside from giving legal or medical advice, lending money and serving as a marriage bureau, we'll do anything, no matter how frivolous, so long as the client is prepared to pay our luxury fee," a spokesman said. "It allows us to play a bit of Robin Hood. This way we can afford to return an old lady's library book at no cost."



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Joachim Goldenstein

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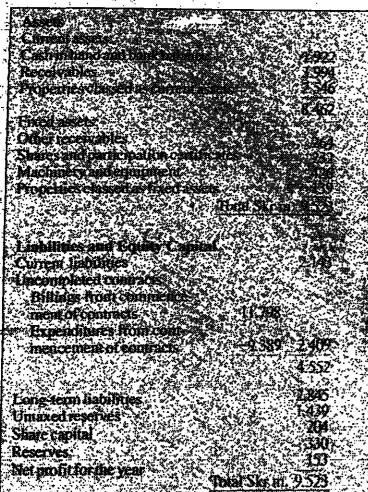
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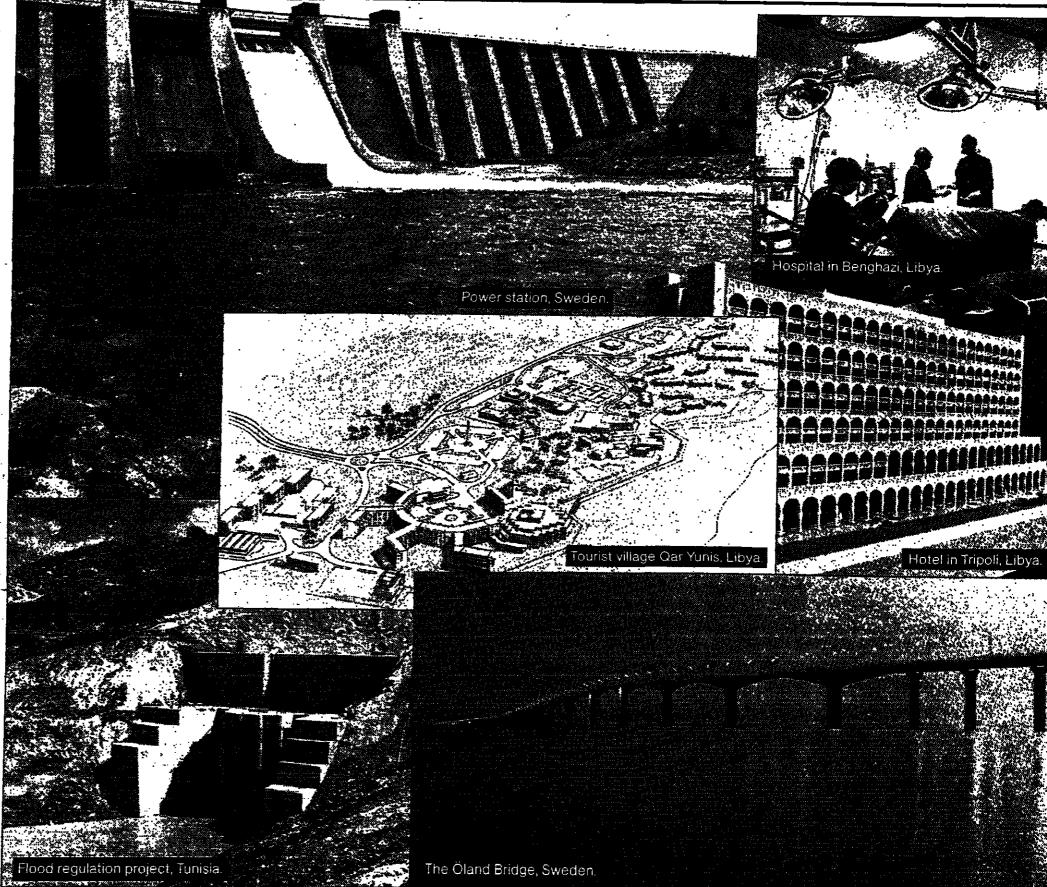
e are one of Europe's leading contractors with rapidly increasing worldwide engagements. Internationally we work mainly with technically advanced construction. Design-construct and turnkey contracts have become a Skanska speciality. Technical know-how of high standards is one reason for our success. Financial strength is another.

Our turnover in 1980 was 10,329 million Swedish Kronor.

This is our consolidated balance sheet, December 31, 1980-in millions of Swedish Kronor (1,000 Swedish Kronor-approximately £98 in May,







. S-182 25 Danderyd/Stockholm, Sweden. Telephone +46-8-753 80 00. Telex 11524 Skanska S.

INTERNATIONAL Herald Tribune

Page 6 Wednesday, June 3, 1981

The Bizarre Case of Lt. Cooke

The case of 2d Lt. Christopher M. Cooke, who reportedly wandered into the Soviet Embassy in Washington with classified information about the United States' most powerful missiles in his pocket, is bizarre to say the least. There is the possibility that Lt. Cooke was, as one of his former professors suggested, a Walter Mitty-like dreamer who was always in a fog and "could have walked into the Soviet Embassy and not recognized that the Air Force has rules against it." Could have. But is that the kind of man who ought to be assistant commander of a crew whose mission is to fire a missile that can destroy underground Soviet command posts and large industrial centers? And why bring the Titan data? To get the Russians to turn over some data of their own? Maybe. But that sounds pretty weird, too.

If Lt. Cooke was Moscow's agent, his behavior appears even stranger. Why, for example, did he deliver his payload to the Soviet Embassy? Dead letter drops may be the stuff of fiction, but what self-respecting spy would rendezvous at the embassy that employs him? No matter what kind of a dreamworld the young Air Force officer lived in, it seems unlikely that he believed he could enter the embassy unobserved.

In that case, perhaps he was an aspiring double agent. But, then, why all the confusion? Why wasn't there a cover story prepared? Why all the fumbling about whether he passed Titan data or didn't? Why the conflicting stories about whether there would or

would not be espionage charges? Why the dispute over whether or not he has been given immunity? The only hint that Lt. Cooke might have been a toiler in the duplicitous and convoluted field of espionage is the fact that he was turned down twice for employment at the CIA. What better cover could he have than that?

There are a lot of unanswered questions about Lt. Cooke and his still unfathomable adventure. If it turns out that he is a dreamer, the question is how to tighten up the system to ensure that such charming but unreliable characters are kept out of the command structure of missile crews. If he was providing the Soviet Union with secret information, was he doing it for cash or conviction? If it was for ideological reasons, was there anything in his background that should have attracted the attention of his Air Force superiors? If he was carrying out a U.S. mission of some sort, who was responsible for the sloppiness that led to his exposure?

The simplest answer comes the closest to logic. It is that Lt. Cooke was poorly suited for his work. That is also the scariest answer. The men who fire missiles should be very carefully chosen. If Lt. Cooke is guilty of espionage, he should, of course, be punished. If U.S. security was compromised, the damage, one hopes, has already been repaired. And if a Walter Mitty slipped through the system, there is a real need to find out how and close the gap fast.

INTERNATIONAL HERALD TRIBUNE

The Coal Contract

The coal companies' sharply improved offer will probably end. after two months, the U.S. miners' strike. Question: Why did the companies increase their bid so sharply at a time when coal stocks are still comfortably high and when production in much of the United States has hardly been affected?

One answer is the operators' interest in demonstrating reliability of supply to the new foreign customers who are becoming extremely important to them. Another answer lies in the complex and delicate relationship between the companies and the United Mine Workers. The companies have evidently decided to pay a premium to avoid humiliating the union. The miners' rising confidence in the UMW over the past several years has brought a remarkable decline in wildcat strikes and coal-field chaos. That's worth a lot to their employers. From the companies' point of view, the new contract is not a bad investment at all.

But what about the national economy and the inflation rate? It is the wage pattern that carries the inflation along from one year to the next. The miners' cash wages under this contract will rise about 9 percent a year. That's no more than the average rise for all American wages over the past year. But this contract will keep the miners moving up at that rate for the next 40 months - in effect, throughout the remainder of this presidential

Those are only the cash wages. There are also the fringe benefits. The much-disputed coal royalty payments into the union health and welfare funds, for example, will be continued and expanded after all. Fringe benefits, not only for miners but throughout the economy, are now using much faster than cash wages. There's a simple reason: Most fringes are tax free, both to the employer and the employee. But, taxed or not, it's real money and will turn up in the form of higher prices in the months ahead.

The government has begun publishing statistics on the total cost of compensation to employers. Wages, in the first quarter of this year, rose at an annual rate of 11 percent. Total compensation, including the fringes, rose at a staggering rate of more than 15 percent. Part of it was the January increase in employers' Social Security taxes. But fringes like health insurance premiums were also rising. The trend in employee compensation seems clearly to be upward.

The Reagan administration's economic theory assumes that tight restraint on the money supply must slow down the inflation by curtailing high wage settlements. The mincontract suggests that the assumption holding in the coal industry. Nor, according to those dismaying figures on compensation costs, is it holding for the American economy as a whole.

THE WASHINGTON POST.

Anomalously Angry at Libya

On the face of it, Libya's Moamer Qadhafi is giving a good name to the Reagan administration's campaign against terrorism. There is nothing paranoid about charges that Libyan gunmen have in the last year killed a dozen exiles in Western Europe and the Middle East. And it now appears that an American mercenary was hired by Libyans to try to kill a Libyan student leader who turned against the Oadhafi regime. According to the FBI, 20 more students were on the colonel's murder

So the administration was surely right in closing down Libya's mission in Washington and expelling 27 Libyan officials, a step just short of breaking relations. Brazen breaches of diplomatic cover call for an emphatic response. And it may be that Qadhafi is swinging wild because his decadelong grip on power is finally slipping. He certainly deserves to join his friend, Idi Amin, in that limbo where outrageous rulers sulk amid their bodyguards.

For the moment, however, Qadhafi has

ist campaign, a hole big enough for a super-tanker to float through. The Libyan diplomats are dispensable, but the industrial world's appetite for Libyan oil persists; Libya's oil accounts for 10 percent of America's oil imports. Trade with Libya totals about \$12 billion a year. And Libyan oil is pumped from the sand with the vital assistance of several thousand American techni-

Unintentionally, then. Western consumers help to pay for Libya's threatening foreign adventures. With American dollars Libya buys Soviet arms, which also made possible its assaults on neighboring Chad.

Oil is fungible, of course, and boycotts are notoriously ineffective. But that does not make the American links with Tripoli any less anomalous. The United States is still glued to Libya by its reed for oil and fully expects Libyan oil to keep flowing in as the expelled diplomats fly out.

THE NEW YORK TIMES.

Other U.S. Opinion

Voice of the People

Congress, for the first time in memory, actually seems to be listening to the American people, instead of listening only to itself. For years, Washington [thought] only Washington knows how to solve problems and that the "people" just don't understand. After the landslide election of President Ronald Reagan, returning members of Congress ...

sounded as if nothing at all had happened. They lambasted Reagan's philosophy, intimated that he, like the people, just didn't understand how government works, and operated on the assumption the "system" would run on as it always has. By Easter recess ... congressmen went back to their home districts [and] they got lambasted by their constituents. They got a message, in some cases very pointedly, that the voters expected them to cut the budget as the president insisted.

But the novel part was that congressmen not only heard the message, but listened to it. The result: an overwhelming vote in favor of cutting the budget.

- From the Lynn (Mass.) Daily Evening

In the International Edition

Seventy-Five Years Ago June 3, 1906

EL PASO. Texas - As the result of a strike started by Mexican miners at Col. W.C. Greene's copper mining camp at Cananea, in the State of Sonora, Mexico, George MacDonald and his brother are dead, two Mexican police are shot and 100 miners killed. The lumber yards have been blown up with dynamite by the raiders. Mexican troops are being rushed from Hermosillo by Gov. Ysabel. Americans, armed with rifles, are demanding admission into Mexico from Naco, just across the border line, in order to aid Americans in the city of Sonora, Col. Greene's family has been sent on a special train to Naco. About 3.000 miners are employed in the mines, of whom the majority are Mexicans.

Fifty Years Ago June 3, 1931

ROME - With the Italian government apparent ly determined to keep the clubs of Catholic youth closed, speculation was rife here tonight as to whether the Pope might denounce the Lateran treaty and resume his voluntary imprisonment in the Vatican. While the government's decision regarding the reopening of the clubs is still pending, intense anxiety prevailed in the Vatican. The Italian authorities maintained absolute silence except to admit that conversations were in progress. There is every desire on the Vatican side to prevent a break, but there is no hiding the fact that the dissolution of the Catholic clubs has made a very grave impression in the



Poverty and an Indian Village

By Victor Zorza

Victor Zorza is spending the next vear living in one or more Indian villages. The village in the article below is not named, because those mentioned feared that if it were, they might be harmed.

In the village I met Ravi, a bright 13-year-old boy with the eyes of a frightened old man. It was days before he managed to sneak out of the house to talk to me.

Every morning, he said, the farmer woke him at 5 o'clock and then went back to sleep. Ravi cleaned the cowshed and then grazed the cattle for the rest of the What days off did he get? Ravi

seemed not to understand the question. Did he work every day? "Every day." he repeated dully. He got two meals a day, and two sets of clothes a year. He was wearing one set now. A dirty vest, torn shorts and the grubby towel wrapped round his shoulders against the evening chill.

He had been bonded for a year. even though bonded labor is illegal in India. How did it come about? 'My family needed the money. I had to do as my father said." How long would it last? He shrugged his shoulders, Didn't he mind? "Mv father wouldn't have done it if it wasn't necessary." He paused, "It

When he grew up, would he bond his own son? He examined my face for clues. Had I come to make trouble? No, he answered hesitantly, he wouldn't hand his own son. But he would say no

Fifty percent of India's population of 684 million live below the poverty line, and in other developing countries the proportion is of ten higher. These are the conditions that give rise to bondage, which can take many forms. I have been asked here: Why burrow in the dirt, when India has thriving new industries, artificial earth satellites, impressive agricultural development projects?

Because, to appreciate India's progress, one must grasp the diffi-culties it had to overcome to achieve it. One must learn first how most of its people still live to understand what made Ravi's father do what he did.

Another week went by before Ravi's father agreed to meet me. At 48, he was an old man -- emaciated, with lined face, grizzled beard, a ragged towel round his head. Why had he bonded Ravi? "For our livelihood," he answered resentfully, "We have nothing. Only our labor. This is the sixth year of the drought, so there's little

How much did he get for his son? Five hundred rupees (\$57). How did he spend it? "For our livelihood." he repeated.

Back to School?

When would Ravi go back to hool? "At the end of the year. when I repay the 500. But where would he get the money? No answer. He looked cornered.

The only way out is, somebody else will have to be bonded." he mattered hopelessly. "Maybe I have to go into bondage myself," he added angrily. And then, desperately, he asked: "What do others know of our problem?" ers know of our problems?

But Ravi's father had not told ne the whole truth. He had said at first that he had traded Ravi to en-sure the family's "livelihood." In fact, the money was used to finance his eldest son's wedding. What makes a father do that?

My first reaction was outrage that a child should be sacrificed to pay for a passing family celebration. But Dutta, Ravi's father, was puzzled by my questions. "Of course" he had to have money for the wedding. How else could you celebrate a marriage?
How was the money spent?

"There were the clothes, of course." What clothes, why "of

course"? He ignored the question. What else, then? They had to feed 60 guests. Why did they "have to," if they couldn't afford it? What about the simple marriage ceremony advocated by some of the social workers in the area? That's not for us poor people."

A rich man's son, I was told, had been educated in the city, and then refused to have a "proper" wed-ding. His first child died.

Dutta was beginning to resent the questions, but I persisted. "All right, then, we had to buy the jewelry, too." "Jewelry"

was a misnomer. There was the gold-colored thread that serves the same function as a wedding ring in the West, but also acts as a charm. Then there was the toe-ring, to signify the wom-an's complete subjugation to her man. Then the nose-ring, the ear-rings ... each with a wealth of meaning, each indispensable.

To us, they may be trinkets. But they provide the woman's only material security if her husband leaves her. It is necessary to understand this before anything can be done about a system that condemns Ravi and 21/2 million others to a life of servitude.

There are many varieties of bonded labor, differing from one one village to the next. But in essence the father of the family bonds his son - or, more rarely, himself - in return for a loan and an untouchable.

peated additional loans drag the borrower deeper and deeper into debt, and the bond is extended. passing sometimes from father to

work assigned to him, lives either at home or with the master — usu-ally in the cattleshed — and is not free to leave his village. Because bonded labor is illegal, records of the transactions are rarely kept. Because the laborer is usually illiterate the master's calculation of the extent of the debt cannot be

force the 1976 decree abolishing bonded labor can make little headway in face of the subtle threats. even more compelling than the demands of tradition, which are used to perpetuate the system.
*1981. International Herald Tribune

area to another, sometimes from cometimes the interest on it. The borrower is usually illiterate, often The high rate of interest or re-

The bonded laborer must do any

The government's efforts to en-

May 12 for the delicate division of power

France's Communist Dilemma

By Flora Lewis Communists know it, and it has

brought another of those almost

behavior.

DARIS - The United States is making appropriately friendly noises to the new Socialist government of France. And they are re-ciprocated. But Washington has already begun warning that admisgovernment after the legislative elections this month would inevitably cloud the relation.

This is a reflex reaction. The question deserves a close look and a suspension of judgment until the circumstances can be clearly ana-

The setting is already visible. President François Mitterrand is launching a series of signals that his France wants to be a good ally. Even before he has a chance to give the message directly to President Reagan in Ottawa in July, his foreign minister. Claude Cheysson. will take it to Washington this

Mr. Chevsson has laid down a blunt line on any notions of neutralism. He was asked about the trend in Europe generally and in Britain specifically.

"It does exist in some places, but in an old nation like that, it's stupelying," he answered, "Yes, there is a danger of neutralism. It means giving up, the sign of an immense fatigue. I despair of it. I see much less of this danger in France. That's quite a remarkable sign of good health."

"In France, Britain, Germany at the European level and that of the Atlantic alliance," he said, "we have to know what we're about: respect for man, freedom When that is clear, then neutralism makes no sense.

Negotiations

Political negotiations have begun between the Socialist and Communist parties here, but on a very different basis from their er-stwhile alliance broken by the

Communists in 1977.
Nonetheless, Mr. Mitterrand received Communist votes and knows he wouldn't have been elected without them. Now, his party will need Communist support to form a parliamentary ma-jority. But the Communists are even more in need of an agreement with the Socialists to retain a respeciable part of their 86 seats in the 491-member assembly. Current prospects are that they will lose as much as a third even if they do reach a deal with the Socialists. This is a sea change in French politics. Both the Socialists and

farcical reversals in Communist One member of the Politburo is campaigning for the assembly with election posters calling him a "candidate of the left" without mentioning his party. All Communist attacks on Socialists have suddenly

stopped. Nobody is fooled. The Socialists are likely to wait until after the first round on June 14 shows exactly how much the Communists have weakened before making a second-round bargain and considering the question of government

Conditions They have outlined some major

conditions already. These include a firm stand against Soviet intervention in Alghanistan and Poland, support for the NATO Euromissile plan and prudent, gradual application of economic reforms The conditions are so tough that

they would seem deliberately impossible if the Communists weren't so clearly in a bind and the Socialists so overwhelmingly in command. But if election results sustain the present trend, the Communists may accept almost anything to claim at least a junior partnership.
Then why not freeze them out

The crucial problem for the Socialists is to establish a sufficiently calm and hopeful economic climate to deliver promised reforms, without which their electorate would be quickly disillusioned and could swing back to the Commu-nists in protest. They will need not only Communist votes in the legis-

completely?

The right is predicting agitation

and chaos. Mr. Mitterrand's victory was largely a bet by the voters that France need no longer be par-alyzed between fear of Communism and absence of political choice. But the bet has yet to be won, and it will take a few years to see the outcome.

There is an argument to be made that a few Communists in nonsensitive jobs inside the gov-errument will hold the parry hostage against provocative communifor some time. Eventually, it is probable that the Communists themselves would pull out and seek to redefine their party as the real opposition to exploit grievances that will inevitably arise in the hard times ahead.

By then, however, they are likely to have sunk even further in popularity and influence. There are tactical problems for the French Socialists. But the strategic question which should interest the United States is which approach is most likely to promote and solidify the decline of the second largest Communist party in the West.

The last election is never the end of politics. The aim now should be to confirm and prolong the funda-mental shift in France away from the source heritage of World War II and occupation, which brought the Communists their special aura.

It isn't all that obvious that a ban on Communists in govern-ment is the safest stand for France, Much depends on the terms imposed by the Socialists. They are not naive, and may know better than Washington how to keep France a good ally.

61981. The New York Times.

UN Labor Watchdog Welcomes Walesa between states and federal govern-

During the last two years, this ILO machinery has been tested by a series of controversial investiga-

tions against labor abuses in the Soviet Union, Poland and Czecho-slovakia. The Russians were accused of suppressing the free un-

ion of Soviet workers and the in-

terprofessional union (SMOT), the

Poles, of putting down the workers committees (KOR), and the Czechs, of discriminating against the signatories of the Charter 77

manifesto.

The result cannot really be eval-

uated without reference to the two-

major events in contemporary ILO

history: one, thankfully past, the U.S. withdrawal in 1977, the sec-

ond, yet to come, Mr. Walesa's ap-

Mideast Missions

Henry Kissinger, it will be re-called, pulled the United States out of the ILO for three reasons.

First, there was the series of "polit-

rust, mere was the series of pontical" resolutions against Israeli practices in the occupied territories without even the semblance of a first-hand investigation; second, there was anger at the fact that the

ILO's human rights machinery had not been employed in defense of labor in Eastern Europe, and third,

there was a feeling that the lack of

independent trade unions and free

enterprise in Eastern Europe made nonsense of the ILO's "tripartite"

structure, which brings together

unions, governments and employ-

But the ILO has now acquired

itself well on all three counts, ILO

missions have visited the occupied

territories for four years. Their latest report indicates that while the

living standards of Arabs have

risen, occupation has turned the territories into a satellite of Israel.

As for human rights, what better

answer than the presence of Lech

Walesa? He comes as head of the Polish union contingent to the ILO

conference, showing once again that the Polish government accepts

Solidarity as a genuine representa-tive of Polish labor. Not only does this confirm the ILO's "tripartite"

structure, it reaffirms the agency's

the first exuberant days in Gdansk

last summer, which stressed the obligations undertaken by the Pol-

ish government when it ratified

ILO Convention 87 on freedom of

association — and Solidarity

which used it as a yardstick in the

Since then, a steady stream of

senior ILO officials have visited

Poland with advice on new labor

legislation. The result is a draft law

that goes even further than some ILO conventions, by allowing for the right to strike.

No one would suggest that this is all due to the ILO, but (officially

at least) the new Polish labor law is

seen as one of the many changes

made since 1963 in response to

ILO pressure. Poland is an answer

to the skeptics — but a more con

vincing answer is still needed, to

judge from U.S. representative at

the United Nations Jeane Kirkpa-

trick's severe comments on the

ILO at congressional hearings on

The skeptics are already point-

ing to the inconclusive end to the

ILO investigations of Czechoslova-

subsequent negotiations.

It was Solidarity itself, during

role in human rights.

pearance here this week.

CENEVA — This week, the Polish trade union leader Lech Walesa will address delegates ment, and the added muscle they might hand to American labor at the annual conference here of the International Labor Organiza-

tion (ILO). That a man of Mr. Walesa's stature should be appearing in Geneva when the situation in Poland is so fluid is a fillip for the United Nations system, at a time when UN agencies are under attack from their Western members for

inefficiency and waste.
It will be doubly welcome in the ILO itself — an organization that has still not recovered (either in terms of budget or morale) from the two-year absence of its largest contributor, the United States. Mr. Walesa's visit has profound

implications for the agency's work, particularly in human rights.
The ILO is the UN's labor watchdog. Among its concerns are occupational diseases and acci-dents at work that kill and maim thousands each year, the fact that throughout the world no less than 55 million children under the age

of 15 are working, the abusive treatment meted out to many of Western Europe's 13 million mi-grant workers and their families, who contribute to national wealth but are often denied pensions, unemployment and sickness benefits, and the continuing struggle of black trade unions to assert themselves against apartheid in South

'Basic Needs'

In addition, the ILO has contributed toward employment creation in the Third World, where I billion people live in destitution. Four years ago, it began to urge governments to concentrate on providing for "basic needs" such as shelter, food and clothing. This, as shelter, food and colling. This it suggested, would fuel demand in the villages of the Third World which would eventually benefit even Western exporters. This is the same theory of "global interdependence." of course that forms the dence," of course, that forms the

backbone of the Brandt Report. All this is important, but what really sets the ILO apart is its human rights machinery, which is the oldest and most tested of any international organization. It takes the form of 153 labor conventions. Among the most important are those on the minimum working age, on the right to form and join free trade unions, and on collective bargaining. A new one due to take effect in November concerns work-

ing conditions at sea. In recent years these conventions have resulted in endless skirmishing. They have been openly attacked by many Third World governments, led by Malaysia and Singapore, which fear they will en-

courage British-style labor militancy and ruinous wage demands.

They have been savaged by the Soviet Union, which argues that the notion of a free trade union. whatever its relevance to the individual political freedoms that underpin Western democracy, has no place in a Socialist system that caters to broad economic rights of

The conventions have caused problems for the U.S. Congress, which has not ratified a single one dealing with human rights worried by their implications

lature, but reasonable tranquility in the factories and the streets.

kia and the Soviet Union. In Czechoslovakia, Charter 77 members are still unable to find work while the Russians blustered and bullied through two years of ILO probing into the fate of self-styled This lack of movement in the Soviet Union is dismaying but the

pressure continues. In the next four weeks here the ILO conference will digest the conclusions of a standing body of 17 legal experts who regularly review all ILO conventions. In the past they have accused the Russians of forced labor — because members of collective farms are not free to leave and seek employment elsewhere and because Russian "parasite" laws mean a man can be arrested for vagrancy if he refuses to take the job offered to him. This year, the experts have again complained at the subservience of unions to the

Communist Party.

This dialogue is long, laborious and unspectacular, but at least it takes place, at a time of dangerous. East-West tension. The ILO deserves encouragement, and Presi-dent Reagan could do worse than push for the radification of ILO conventions in the United States -conventions that are fundamentally compatible with U.S. values. 6/981, International Herald Tribune.

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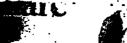
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The voters have shown a strong sense of

PARIS, JUNE, 1981

PORTUGAL

balance, rejecting the remarkably bold moves from either right or left. Meanwhile, the

outcome of the struggle in

Spain is sure to be felt in Portugal.

By Ken Pottinger.

ISBON -- Portugal's democracy turned 7 carlier this year, and there were plenty of glasses raised to its continuing good health. While it is true that the previous oppressive regime retreated only in the face of tanks commanded by leftist troops disenchanted with co-lonial wars, the country has settled down re-

markably well.

The Portuguese have sought an admirable balance in national affairs, hedging their bets against any overly bold political initiatives from either the left or the right. They confirmed this trait in 1980 by swinging overwhelmingly behind the ruling conservative government in elections in October, and the incumbent moderately center-left president in

government in elections in October, and the incumbent moderately center-left president in a ballot two months later.

This power-sharing, while demonstrating the electorate's desire for political equilibrium, threatens institutional deadlock because of opposition to the president from the government.

With its 18-seat majority gained in the parli-amentary elections, the Democratic Alliance, composed of Social Democrats, Christian Democrats and Monarchists, campaigned relentlessly against President Antonio Ramalho Eanes, seeking a sharp rightward swing. But fate stepped in Premier Francisco Sa Carneiro, the leader of the anti-Eanes campaign, the head of state's re-election three days later.



By Mary Castanheira

ISBON — The capital, according to its crusading conservative mayor, Nuno Abecassis, will be unrecognizable in five years. His words are intended to herald drastic changes for this ancient town. But for some, the words are a nightmare. Conservationists and some government departments are up in arms over the mayor's plans to transform Lisbon into a "grand metropolis on the European

His critics say that the 51-year-old Christian Democrat is bent on applying cold industrial management techniques to a fast-growing urban center while ignoring its historical and cultural soul—not to mention the tourists. The charm of Lisbon, according to many visitors, is its unspoiled provincialism, its magnificent scenery and its architectural integrity.

Mr. Abecassis, a trained civil engineer, said:
"I want to combine the ancient with the modern needs of this civil making it a pleasant His critics say that the 51-year-old Christian

orn needs of this city, making it a pleasant place to live in, like Rome." For most people, vever, the only resemblance between the two capitals is their being built on seven hills, but this does not stop Mr. Abecassis.

Despite growing opposition to many of the mayor's ideas, town planners acknowledge that his slum clearance scheme is a major breakthrough. Mr. Abecassis recently announced a program to rehouse 169,000 residents of slums, degraded housing or buildings threatening to collapse. Thirty-thousand of these live in sprawling slums close to the city center, and priority is being given to a crash building project of satellite towns estimated to cost nearly \$40 billion. The plan is to complete the building in 10 years, and tenders for the first phases have been awarded.

To meet these huge costs, Mr. Abecassis has devised a scheme using city-owned land and private building contractors. The builders are allowed to develop 85 percent of this land for their own profit but must use the remainder to



Premier Balsemao (left) and President Eanes

The death also thoroughly demoralized the government and tens of thousands of supporters. Six months later, this is still felt. But hardline rightists in the Alliance are still attempting to manipulate the circumstances surrounding the crash, and use any other available ammuni-

Balsemao. Essentially, they disapprove of his position on the left of the Social Democratic Party and of his more conciliatory approach to the head of state.

Mr. Balsemao, a former newspaper editor, lawyer and founding member of the Social

alition), has taken longer than anticipated to make his mark on the country. But the histus differentiate his style from that of his combat-ive predecessor. Nevertheless, Mr. Balsemao's critics claim that Cabinet performance has been so lackluster that the government has be-

A SPECIAL SUPPLEMENT

In counterpoint, the Communist opposition is calling stridently for Mr. Balsemao's dismissal on the grounds of "undemocratic" rule.

The premier's attitude fits the government's philosophy of lowering tensions and pressing ahead with its four-year program, and there seems little doubt that the Alliance will remain in power for its elected term. Less certain is the future of the premier and his Cabinet, who may find themselves unable to withstand the moves against them.

Internal events are not the only ones marking the political scene. The unsuccessful coup in February in Madrid has raised fears that a successful military takeover there would cause dangerous turbulence for Portuguese democra-

Political and social events in the Iberian Peninsula have always to some extent been related, from the days when the royal houses were fighting for control of the kingdoms. The two Iberian dictatorships of this century had a formal pact, and the Portuguese revolution in



Along with the budget came the govern-ment's proposals for a medium-term plan, the first such document drawn up since the revolution, and a cornerstone for orderly future development. Government planners aim at a European model for the Portuguese economy summed up in a policy of ample private initiative coupled with social justice and regional development. There are also proposals to modernize industrial processes, increasing productivity and competitiveness. The economic objectives of the 1981-1984 plan are condensed in these highly ambitious,

Oporto 7

Santarem

Évora

Coimbra A

and perhaps impossible, figures: The gross na-tional product must rise by an average of 5 percent a year; gross fixed capital formation is targeted at an annual rate of 8 percent; exports must rise 8 percent a year, with imports not to exceed 5.1 percent; domestic consumption is to average 5 percent, although in the particularly backward agriculture sector there must be an 18-percent annual growth; real salaries are to increase 2.5 percent a year while inflation is to be gradually reduced from about 17 percent ent European average. Over this medium term, the current account

deficit — \$1.2 billion last year — will be allowed to rise steadily to \$2 billion in 1984 as long as oil price increases do not exceed 15 percent a year, a vital point in a country importing 83 percent of its energy needs.

The planners also hope to reduce umemployment - now at 8 percent - by creating 250,000 jobs through investment and improve training. The national minimum salary, now

Exchange rate: \$I = 61.48 escudos

9,000 escudos a month, will be updated annu-

ally by the year's inflation rate. So the per capita income is projected by 1984 to increase from \$2,070 a year to \$4,155.

The ambitiousness of this project to transform Portugal into a competitive EEC partner in four years must be viewed against the background of a world slump, the high cost of fuel and a probable zero growth rate in the member countries of the Organization for Eco-nomic Cooperation and Development.

Nevertheless, 1980 was Portugal's most successful year. Productive investment grew 9 percent. Foreign investment, starting from a min-ute base after the 1974 revolution, has doubled each year to reach \$200 million in 1980, with percent of this destined for new companies or expansion of plants. Remittances by emigrants and receipts from tourism — the two major sources of foreign currency — reached records at \$2.2 billion and \$1.1 billion respectively. Inflation dropped to about 17 percent while real export earnings were up by 7 per-

The country's financial position looked reasonable healthy at the end of the year, with all

Economic Planning Targets but I percent of its 700 metric tons of gold reserves (valued at \$10 billion) pledge-free, and about \$4 billion worth of hard currency

reserves tucked in the national vaults. This turnaround is remarkable when viewed against the country's recent history. Since the coup in 1974, Portugal has had five years of political turmoil, 12 governments, stopgap ecopoint al turmoil, 12 governments, stopgap economic measures and a tough austerity program in 1977-1978 imposed by the International Monetary Fund. This resulted in a reversal of a \$1.5-billion current account deficit in 1977 to a \$50-million surplus in 1979. As an economist put it, "The IMF program for Portugal was one of the most successful ever devised. It actually modeled."

The buoyant financial situation has attracted loans from international bankers. Competi-

'Planners aim at a European model for the economy ... ample private initiative coupled with social justice and regional development."

has been able to negotiate some fine interest margins on recent Euromarket loans, And the loans are now guarantee-free, unlike six years ago, when Portugal was obliged to hock half its gold reserves in a desperate bid to feed in The World Bank estimates that Portugal's

current strengthened economic situation merits enough confidence to enable it to run an annual current account deficit for the next five years of \$1.5 billion, a comforting thought for the Lisbon finance officials, whose development plans may well lead to such figures. A central bank source went as far as to say that Portugal was able to handle a large balance of payments deficit - possibly as high as \$2 bil-lion this year - without being in danger of returning to IMF-type austerity.

The reasons are that its financial managers

have the expertise and resources to deal with this level of debt and that the deficit is financing productive investment — not, as in 1977, food import bills and loan interest. Nevertheless, the medium-term plan faces

several conditioning factors. Because Portugal depends heavily on imported materials and machinery to produce its exports, the trade gap is likely to widen significantly under the push for development. At the same time, rising imports will bring increased imported inflation that will curb the benefits of the improved

The difficulties of aiming for expansion during a worldwide recession are illustrated by the sharp volume drop in Portuguese exports last year, down from 23 percent in 1979 to 8 per-cent in 1980. The government aims to main-tain this lower level in 1981 despite admitted difficulties in selling Portuguese products abroad, especially vital textiles.

LISBON LANDSCAPE: A mass of new buildings towers over shanties

rehouse needy families in low-cost, fixed-rent housing. With municipal elections scheduled for 1982, the mayor, elected for three years, is determined to start his building program by Jan. 1. He has also outlined plans to modernize transportation, garbage collection, waste treatment, roads and sanitation networks.

The fiercest criticism has been aimed at several controversial schemes involving historic Lisbon monuments and areas of national pa-

trimony. State officials concerned with pre-serving the country's heritage have clashed with Mr. Abecassis over at least two projects in the city, and are hastily compiling a list of buildings and areas to be preserved at all costs. Urban planners say that projects to build skys-crapers and central shopping malls are un-workable and will scar the capital.

One of the mayor's biggest battles is over his plans to alter Lisbon's Moorish St. George's castle, built on a hill above the Tagus estuary

to defend Lisbon against invaders. Workers are excavating medieval prison cells and a Moorish water cistern for cheese and wine bars, which the mayor hopes will liven up the castle after dark.

The mayor is not put off by the criticism, and he seems to believe in the fait accompli, moving fast once he has decided to do something. His critics so far have taken a lot longer

Rapid Changes Bring Concern for Environment

ISBON - The drive to modernize Portugal in anticipation of its entry into the European Economic Community will bring major changes to urban and rural areas, and there is growing concern about the ecological impact of new industries, nuclear and other energy projects, and mass building schemes.
Under pressure from the Monarchists, who

are minority partners in the ruling coalition, the government created a ministry concerned with the quality of life, which was led by a Monarchist, Augusto Ferreira do Amaral.

The government wants to ensure that, by the time Portugal enters the EEC, there will be a set of regulations on air and water pollution. The policy will be to make the polluter pay.

- The government announced on May 31 than Mr. Do Amaral, along with a colleague, had resigned from the Cabinet and was being replaced by Joao Vaz Serra de Moura, also a member of the ecology conscious Monarchist

Mr. Do Amaral resigned in a row over the management of the state-owned national television service and other problems facing his ministry, which is concerned with state media, youth and environment. Political sources said, however, that the change would not alter the

fundamental policy of the ministry.

Mr. Do Amaral, before he stepped down, said that that the most pressing problems would come from the need for the government to make a decision this year on nuclear energy. Portugal, strapped for natural energy resources and dangerously dependent on costly

oil imports, will probably go for nuclear pow-

er. But Mr. Do Amaral warned that the Monarchist Party was pressing for a national referendum, despite the present lack of constitutional machinery to do this, and would call for a full public debate in parliament before any decisions were made.

Meanwhile, opposition to Spanish plans to build a series of nuclear plants near the border is growing in various parts of the country. In the northeastern provence of Tras-os-Montes, the people of the border town of Miranda do Douto are up in arms, along with Spaniards across the frontier, as the Sayogo power plant nears completion.

The Portuguese say they fear the effects on wine cultivation of hot-water effluent in the Douro River. And, like the Spaniards across the border, they fear a nuclear accident.

This growing agitation is certain to affect any Portuguese attempt to build nuclear power

The enormous costs of building a plant (about 1 billion escudos) and the 10-year period before it is operational are also factors being weighed by the Cabinet

The Junta da Energia Nuclear, an official body established more than 10 years ago to study the issue, is convinced of the efficiency and inevitability of nuclear reactors in Portugal. It believes that the nation's size and its lack of any but hydroelectric resources point mexorably to nuclear energy as the cheapest alternative.

The junta calculates that three plants would be built once the government makes up its mind, the first requiring between 10 and 14 years before starting up. France, the United States and West Germany are known to be lobbying for construction contracts, but the Portuguese have not yet indicated a prefer-

The innta is not overly concerned about the problems of waste, believing that storage can be arranged, but it is strongly opposed to dumping these wastes in the sea, mainly because of Portugal's dependence on the sea for food and tourism.

Apart from the nuclear question, the ministry is responsible for drawing up and implementing Portugal's first national planning scheme, which will eventually zone the entire country for various types of development and preservation. A pioneer scheme is nearing completion in the area south of Lisbon, while a similar scheme for the Algarve is in an ad-

Unanthorized Construction Mr. Do Amaral said that these plans would

enable the authorities to put an end to a rash of clandestine and unauthorized construction in populous areas. They will also lead to a balance between the demands of new industry and the recreational needs of people. Natural parks and preservation areas will be clearly de-

The government wants to ensure that, by the time Portugal enters the EEC, there will be a set of regulations on air and water pollution.

By Martha de la Cal

days: "Our people are forgetting their language. They are all becoming Brazilians!"

In the last seven years, since the National

Television Co. bought its first telenovela, (television serial), "Gabriela," from Brazil's

Globo Productions, Brazilian slang, songs,

dress and accents have been overwhelming

A Portuguese television producer said, "It was like Dr. Faustus calling in Mephistopheles and then not being able to get rid of him. The Portuguese television company brought

in the Brazilian telenovela and now they can't

get rid of it. Everyone looks at it every day. They can't help it. They are hooked."

Not long ago, people began to ask, "Why don't we have a Portuguese telenovela?" Even

the government has become concerned. But

Portuguese television is usually short of

money, and it has neither the equipment nor

the facilities to produce such a television ser-

ial - which would cost eight times as much

as it does to rent one from Brazil. Therefore,

the television company has decided to call in

but has been involved in music, radio and

television production in Portugal for the last

Tentagen orners, reversing that printing the Mostow. In the relationship.

Mr. Krasmann, 48, was born in Germany

an independent producer, Thilo Krasmann.

ISBON - A common complaint these

The policy will be to make the polluter pay. The Tagus River and other main rivers, which are chronically polluted by industrial and human waste, are being tested.

Air pollution already is controlled in five main regions, an attempt to inhibit the worst effects of industrial air pollution; other zones are being studied.

More importantly, the ministry intends to push for the control of coastal pollution in the main tourist areas — the Algarve and the Lisbon coast. A commission is studying the Algarve's infrastructure needs, but the enormous capital investment required to build sewer treatment plants and install drains is inhibiting

Portuguese television chose him to pro-

duce a telenovela because of one of his recent

comedy series, starring comedian Nicolan Breyner. The show ran for 28 weeks and fea-

tured a takeoff of the Brazilian telenovela.

Mr. Breyner portrayed a Portuguese emi-

grant who returns to his hometown in Portu-

gal and finds to his bewilderment that every-

The contract has not yet been signed, and

there is still opposition to its being given to

an independent producer, but Mr.

have his telenovela ready when the latest Brazilian one limishes in the fall.

Krasmann is making plans and would like to

one speaks and acts like Brazilians.

- KEN POTTINGER

Brazilian TV Serials Altering Accents and Culture 25 years. He studied music in Trossingen the home of Hohner accordions - and became a music teacher like his mother. His father was a musician, and his band played on board Bremen ships between Germany and the United States. Thilo Krasmann to store the sets. came to Portugal to teach music and later formed a group, Thilo's Combo. "When I got too old to be playing around clubs, I went into producing," he said. He now has his own company, Edipim, which produces everything from advertising jingles to television series with 20 to 30 epi-

Producer Thilo Krasmann

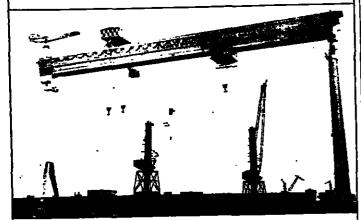
taking daily polls to see how the public wants the story to evolve. The Brazilians produce an episode per day, but we will start out doing one every two days. Producing these serials is not sophisticated art. The director must realize that he is just putting on a picto-"We will use Brazilian methods, such as rial story that everyone can understand. We figure we can produce the whole letters 300 days at a cost of \$1 million." he said.

Most of the series will be shot on location a small palace in Sintra and a farm near Lisbon - because there are not enough studios

Mr. Krasmann has a story outline, and the writing of the preliminary script has been given to radio and television serial writer Odette de Saint-Maurice. "The story takes place in Portugal now and deals with typical Portuguese problems of emigration, labor disputes, lack of housing, religion and conflicts between generations," he explained. "To assure a real Portuguese flavor, some of the main characters will be a worker in a sardine factory who had been an emigrant in the United States and later in Portugal's former African territory of Angola, and members of the factory owner's family. Several love stories will run through the plot."

He expects a negative reaction to the early episodes from viewers who are accustomed to the Brazilian product. "People will be saying. There is something wrong. This is not taking place in Rio, and the people are not speaking like Brazilians, but we think we can get them to accept a real Portuguese telenovela if we follow the formula and the

MAGUE



LIFTING AND HANDLING EQUIPAMENTOS DE ELEVAÇÃO E MOVIMENTAÇÃO

- PONTES E PÓRTICOS ROLANTES
- PÓRTICOS GIGANTES PÓRTICOS PARA MOVIMENTAÇÃO
- EQUIPAMENTOS PARA FINS ESPECIAIS

EQUIPAMENTO DE PRODUÇÃO DE ENERGIA

- TURBO-ALTERNADORES (Licence Brown Boveri & Cie.)
- TURBINAS HIDRÁULICAS

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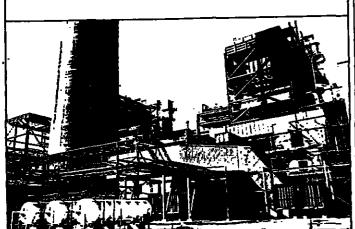
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PORTUGAL

PORTUGAL-

Shift from Africa: 'We Are European'

ISBON - Engineer Antonio Vasco de Mello, the 50-yearold founder and president of the Confederation of Portuguese Industry, does not belong to a politi-cal party, but he admits that if he did it would be the Monarchist

With reason. He is descended from royalty on both sides of his family. His mother's family were the O'Neils, members of the Ulster Irish Catholic royal family, who fled to Portugal in the 17th century. His father was the Portuguese marques de Sabugosa, grandson of the historical writer, the count of Sabugosa, a founding member of the literary group Vencidos da Vida along with novelist Eca de Queiroz. Mr. Vasco de Mello is the count of Sao Lourenco. "We have not taken part in politics since the kings disappeared from Portugal,"

He did, however, take an active part in opposing the leftist take-over of Portugal following the 1974 revolution and in preserving the concept of a free market economy by forming the 47,000-company-strong Conferation of Por-tuguese Industry — an organiza-tion similar to the American Chamber of Commerce - which acted as a pressure group and created an image of strength for private industry to combat worker takeovers of factories and state control of industries.

"We kept the message of market economy alive so that it could make a comeback. It is still not re-

stored completely, but we are near er than we were," he said. Mr. Vasco de Mello is relatively satisfied with the government of Premier Francisco Pinto Balsemao, but he would like to see it take more concrete steps to help private industry. This govern-ment must change the structure of

the labor laws and define the limits of state and private sectors to show us their intentions are serious," he said. "They are making good mu-sic, but is is still only music."

He was educated in Lisbon as a mechanical engineer, then went to Germany and Austria for practical studies in steel manufacturing areas. Back in Portugal, he went to work in his family's company -Companha Portuguesa de Trefilaria, which produces 60,000 tons of wire and wire products a year, employs 700 people and now has annual sales of \$40 million.

When Mr. Vasco de Mello was not at the company, he was sailing. He sailed in the U.S. World Championship in 1963, in North Africa in 1964 and in the Olympics in Mexico in 1968.

The family company weathered the revolution virtually unscathed. Mr. Vasco de Mello attributes this to the fact that they maintained good relations with their workers:

We had always been liberal with our workers. By 1967, we had always been made for us. We are European, even though there is still opportunity for trade in Africa — but ready named a workers' commit-



Antonio Vasco de Mello

there was no reason for them to try to take over.

He wants to see Portugal join the European Economic Community rather than look toward Africa as it did before it lost its territories. "We must become part of Europe. Before now we didn't know if we were a small European country with large African holdings or a large African country with a little bit in Europe. The choice has

---MARTHA de la CAL

Eanes: Focus on World Role

ISBON - Antonio Ramalho L ISBON — Antonio Rammer Eanes, an austere army general who was re-elected in Dece for a second and final presidential term, is well-briefed, keenly interested in international politics and

a hard worker. • Lean and unexpressive, the 46year-old general — who shot to prominence for his key role in stemming an attempted Communist coup in 1975 -was re-elected with 56 percent of the vote. He was backed by the Socialists and unofficially by the Communists and part of the governing Democratic Alliance electorate, dealing a vere blow to the conservatives' at-tempts to control both the government and the presidency in Portugal's power-sharing system.

In an interview, the moderately center-left head of state praised Portugal's progress toward consolidating its democracy, which ended nearly 50 years of dictatorship in 1974. The president believes that Portugal is calmly making the transition from the world's longest-surviving colonial power to a candidate member of the European Economic Community.

Strongly in favor of membership, President Eanes would like to see some of Portugal's "personalias he described it, incorporated in the move. "Portugal's cultural and historical traditions could make an important contribution to the Community," he said.

He sees economic development as a priority, but he warned that this necessary modernization should not obliterate Portuguese traditions. He also stressed the erlined perhaps by his own close need for greatly improved educa-friendship with U.S. Secretary of

tional opportunities and more widely based political activity.

In summing up his first five years in office and the period ahead, the president expressed satisfaction at the way democracy was taking root and called for its dynamic extension to all levels of national life. While admitting that recent upheavals in Spain, especially the unsuccessful coup in

February, were worrying "because

The president says that balanced military strength between the superpowers is necessary for world peace. But he also urges a balanced, progressive arms

events in the Iberian Peninsula tend to be interrelated," he expressed confidence that democracy was workable in both countries.

reduction.

Discussing the state of relations between Lisbon and Washington, the President stressed the benefits of continued U.S. aid to Portugal and the warmth of the links, undState Alexander M. Haig. But Gen. Eanes cautioned that the evolution of these ties would be conditioned by Portugal's position as a budding member of the EEC.

Turning to President Reagan's hard-line policies toward the Soviet Union, the president called for a balance of forces between the superpowers to preserve world peace.

A balanced arms deterrent, especially in the European theater, is necessary," he said. But Portugal also supports a lowering of ten-sions between East and West, and Gen. Eanes urged a conscientious implementation of the Helsinki ac-cords. "In this way," he said, "a balanced and progressive reduc-tion in arms leading to global peace" can be achieved.

He reaffirmed Portugal's long-standing commitment to NATO, of which it is a founder-member, but criticized the organization for not delivering on promises to help re-equip and modernize the Portuguese armed forces. "We expect as a full NATO member to take part in its decisions, meet its costs part in its decisions, meet its costs and receive its benefits," he said, adding that Portugal's 15 years of experience in the African wars was something that NATO had yet to

take advantage of. The president strongly criticized interference in other nations internal affairs, rating this as one of the world's most pressing problems. "Direct or indirect interference by foreign forces or foreign states in individual countries" has to end, he said. He emphasized the need to try to improve the distribution of wealth between the developed and developing nations, however.

—KEN POTTINGER

Portuguese Democracy, 7 Years Later: Sense of Balance Prevails

(Continued from Page 7S)

1974 helped to push Spain toward democracy. Nevertheless, Por-tuguese leaders repeatedly affirm that their democracy is firmly root-

The domestic situation is stable. The military are tightly controlled and almost completely removed from their political position of seven years ago, when they overthrew the 48-year-old dictatorship. For the first time also, the coun-

There is a fierce determination to make democracy work, and a remarkable structural stability has emerged despite the political upheavals that followed the revolu-

try has a majority conservative

government with a mandate to rule

tion. The Portuguese hope that this, and a little help from their friends, will ensure that the system

Yet most commentators in Lisbon warn that a rightist military takeover in Spain would place heavy strains on Portugal, partly because of the common border and the increasing arrogance of the vociferous Portuguese extreme right. If there were a coup in Spain, attempts would probably be made to speed up Portugal's entry into the European Economic Community as a way of linking the country firmly with the rest of Eu-

Meanwhile, the government,

apart from trying to calm the Alliance's right wing, has several priorities before it. First, it is preparing for the fundamental revision of the 1976 constitution, a task to be studied by a special parliamentary committee in extended session in

The present charter, a confusion of programmatic Marxist ideas conceived during the revolution, can only be reformed with the support of two-thirds of the deputies. All the signs point to a deal that will ensure support from the major opposition Socialist Party for the Democratic Alliance's proposals.

The quid pro quo will probably center on government backing for a bid by Socialist leader Mario certain following the crushing de-feat of Mr. Soares' opponents at the recent Socialist Party congress and the success of his close ally, François Mitterrand, in the French

- The government wants to make the following basic changes in the constitution: Remove references to Marx-
- ism or the obligatory transition of the state to a Socialist workers' re-End any institutionalized mil-
- itary supervision of the civilian democracy;

Remove blocks on opening

Soares for the presidency in 1985 nationalized sectors of the econo-- a bid that has become almost my to private enterprise and reorganizing Communist-dominated agricultural areas in favor of individual tenant farmers; Include necessary references

to the application of EEC law when Portugal becomes a member, and to the decentralization of the national administration.

Keen to Alter Balance

The government is also keen to alter the balance of the workerweighted labor legislation, to allow private radio and television sta-tions, to operate public and private medicine in parallel, and to encourage the growth of private schools alongside the state system. A second priority is to resolve

olution, an outdated military body that was charged with keeping Portugal on the revolutionary course after the coup. There is agreement, even among its members, that it must go. But this can only happen once the constitution has been revised and a formula found to divide its powers between parliament and the president, or to create something like a council of state. Thus the argument over how to dispose of the Council is likely

to continue most of this year. While this major reorganization of institutions is taking place, the government's four-year program must be implemented if Portugal is to withstand the shock of EEC entry in 1984.

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PORTUGUESE GOVERNMENT ANNOUNCES INDUSTRIAL STRATEGY

With a per capita income of only US \$1,820, Portugal's economy is without doubt one of the least developed in Western Europe and the OECD, even though it is far in

the industrial sector, with rates of growth of about 10% during the sixties and start of a seventies, has been the driving power behind the country's economic growth, awardays industry accounts for some 40% of the Gross National Product, and that reentage is actually higher than the overage for the Common market, of which there is a country because to be a second or second

antitative dimension does not, however, have the correspondence was antitative dimension does not, however, have the correspondence was industrial sets would like as regards quality. They are aware that their extaining industrial two does not make full use of the country's natural resources, that inter-sectorial two does not make full use of the country's natural resources, that inter-sectorial two does not make full use of the country's natural resources.

mess of Partugal's industry has traditionally been based too much or

support from the home market, and with expansion of non-ferrous metallurgy—copper lead and zinc (pyrites) and walfrom—since in all these cases it means making due use Certain other natural resources, which have traditionally been used only for products a

In the third area (Industries in which the country already has, or is on the way to acquiring solid comparative advantages) is the production of equipment goods as a whole, namely: mechanical and light electrical equipment of nearly all types; transport material; equipment concerned with solving the energy problem; equipment for handling and hoisting raw materials and other sundry materials; mechanical and elec-

ands the position of entrepreneurial activity in Partugal, the former systemsing of industry" no longer exists in fact. What is in force is freedom of access all activity (baid down by Decree-dow 519-11/79). Except for certain sects by clauses of the Constitution that are still in force, entrepreneurs enjoy to

ures, which fall within the scope of the Ministry of Industry and Energy, will sented by others, in particular as regards labor relations and Improvements

GABINETE DE ESTUDOS E PLANEAMENTO MINISTÉRIO DA INDUSTRIA E ENERGIA Avenida Conselheiro Fernando de Sousa 11 - 1900 Lisboa, Portugal

PORTUGAL-

Agriculture: Keeping **Production as Priority**

By Harry Debelius

ISBON - There are social and ideological aspects of farming in Portugal that have more influence on production than do systems of cultivation and types of seeds. The minister of agriculture and fisheries. Antonio Cardoso e Circha, is the first to admit that political savvy is as important in

his ministry as technology.

Portugal is still getting over its
1974 revolution, and the business of turning over land to individual farmers in the southern Alentejo region, where a leftist government nationalized farmland, is the minister's most time-consuming task, although he insists that it is not his

most important one.

"The principal job of this ministry is to increase production," he said. And I'm very, very strict about that. This is our objective and we must light for it. And although I'm not an agricultural technician — I'm a farmer but I'm here on a political basis - I think our main task really is to induce more production.

Portugal certainly needs to grow more of its own food. Last year it had to import half the food it consimed, despite generally favorable weather for the crops. This year, as a result of a severe drought that is only now seeming to end, food im-ports will be even greater.

Farms Size

A traditional problem of Por-toguese agriculture is the size of the farms. In the north they are too small; in the south they are too big for efficient farming in the traditional way. To correct this, the government is applying policies tailered to different areas but de-

signed to help the small farmer. Eollowing the revolution, during what Mr. Cardoso e Cunha refers to as "the hot years from 1975 through 1977 — politically and so-cially hot," the Communist Party took advantage of its prestige as a leader in the fight against Fascism and fomented the takeover of big farms in the Alentejo region, bordering on southern Spain, by landless farm laborers.

The Alentejo is an area of poor soils and with a difficult climate," the minister explained. "It was used in the past in the wrong way, I think, with the emphasis on wheat production, even where the soil is not the best type for this kind of crop. This sort of agriculsonal unemployment in this zone, which gave the Communist Party

The party surfaced after its difficult years as a clandestine movement, with a very good organization but without a basis of popular support. The Communists used the social situation in the Alenteio to get the popular expansion they longed for quickly. This triggered land occupations and forced owners to employ more workers than they could afford, thus pushing the owners toward financial min. Bt the end of 1975, the area of the farms thus occupied amounted to about 1.1 to 1.2 million hectares. This movement was promoted by a number of organisms, mainly the army, which at that time was under a very heavy Communist influence, and the collective farms which were established that way were presented to the population as the solution to the unemployment problem, because collective farm laborers were promised full

Shift in Power

"These collectives at that time were economic nonsense, but then their main objectives were not economic. They had access to easy money in the form of government credits, and the popularity of the Communist Party was strongly reinforced, allowing the Commu-nists to establish in late 1975 and the beginning of '76 a stronghold which they still have."

He continued, "As the political situation evolved in Portugal, the Communist Party slipped from its position of power. It lost its influence on the government, to become simply one of the more important parties in the Portuguese political spectrum. The country became established on the basis of Western European democracy. It's obvious that the present system and the present government can-not support the type of political credits which were given in those times, and so some of the collective farms no longer have the capacity to sustain full employment, which means that they are having a hard time surviving, purely as a re-sult of the interplay of economic factors, without any action aimed

directly against them. A law pased in 1977, when the Socialists were in power, is the legal basis for breaking up collective farms. It authorizes the governtural exploitation led to a situation ment to redistribute large landof poor economic activity and sea- holdings, even those owned by the farm cooperatives and even the ers to form cooperatives.





The manager of a small farm sprays weeds around 4-yearold hedge lemon trees and picks the fruit for sale at market.

state as a result of nationalization. few remaining UCPs (collective units of production), are eligible remarked, "it's inconceivable in Portugal to have estates the size of those in Texas, because the country is small. Even if this might be an economic answer, it could not be a social answer.")

Now, the government says, the original owners of the lands seized in "the hot years" have all been given provisional compensation for their losses, although not all claims have been settled because final compensation depends in each case on an on-site assessment of the property.

State Property

New land grants in the Alentejo region are given on a leasehold basis, since the constitution prohibits the return of nationalized property to private ownership, and the grants are restricted to farm workers who do not own land themselves. Their "rental" payments are calculated on a long-term basis to balance the estimated amount of indemnity that the government must pay the previous owners. Those who receive such land, as well as other individual farmers.

for financial assistance on unusually favorable terms.

The UCPs, incidentally, are also required to pay "rent" because the land they work is technically the property of the state, and the government must compensate its original owners, too. It is generally assumed that title deeds will be distributed to the leaseholders when the constitutional situation

The emphasis in the last year has been on the small farmer. By now, 3,000 farmers have been installed on what the minister calls family-size plots, which, he says, "are more in the Portuguese tradition." Officials consider a familysize farm to be one that if reasonably cultivated can be expected to produce an annual income of 200,000 escudos (about \$3,450) for each member of the family who is actively employed on the land.

As for the north, where gardensize farms become smaller with every generation because the land is often divided among the children on the death of parents, the government is encouraging farm-

Labor: Communists Retain Leadership

By Mary Castanheira

ISBON - Organized Poruguese labor remains firmly controlled by the Communist-backed CGTP-Intersindical (General Confederation of Portuguese Workers), skilled at brinkmanship bargaining and able to cause widespread disruption through strikes. Socialist and Social Democratic

attempts to break the Communist monopoly, with the creation of the rival UGTP (General Union of Portuguese Workers), have had lit-

The UGT unions have recently been forced to harden their more lenient pro-government positions to prevent the erosion of their sup-port. Portugal's annual wave of strikes this year has resulted in both the UGT and the CGTP-Intersindical breaking off talks with the center-right government.

The government believes that

the unrest is monitored from Moscow and aimed at weakening the young democracy. "This year's round of strikes worsened when Communist leader Alvaro Cunhal returned from Moscow and demanded the government's overthrow," Labor Minister Henrique Nascimento Rodrigues said. CGTP had started negotiations with the government and even declared publicly that this was a government with whom they could talk. Suddenly, coinciding with Cunhal's return, things changed. CGTP stopped talking to the government, refusing to attend previously arranged meetings with various ministries."

Strikes lasting from three hours to four days affected nearly every economic sector and every part of the country during the winter. Lisbon was without cooking gas for three days. Four-hundred-thousand civil servants belonging to both the CGTP and the UGT struck simultaneously, paralizing ministries, schools and hospitals. Ten-thousand postal workers left mail services in chaos. Oporto was without public transport for four days. As soon as one strike was settled, another was threatened. In the first week of April alone, there were 15 strikes.

"The strikes show the workers' discontent," said Alvaro Rana, who directs the CGTP's international relations. "It is their answer to the government's unwarranted price increases and loss in purchasing power." He said that Premier Francisco Pinto Balsemao's gov-

minded and ready to solve the workers' problems but that the CGTP eventually found the talks fruitless. "There's nothing new in this government. They want to create a climate for a return to prerevolutionary days."

Nearly 85 percent of organized labor belongs to the CGTP. Its dues-paying membership has stabilized in the last year and it has lost no unions to the UGT. "They keep their members because they drive a hard bargain and usually get re-sults," a leading industrialist said. "I have workers who voted for the [ruling] Democratic Alliance in the general election but who support CGTP wholeheartedly when it

comes to wage rises."
The UGT, with about 45 member unions, has a hard time gaining ground among factory workers After two years of existence, its main strength still comes from the better-paid insurance, bank and other services employees. The or ganization held its second congress earlier this year and claimed a membership of 800,000 workers in all areas. "We do not spend our time gluing posters on walls or confronting workers in useless strikes or street demonstrations." UGT executive Vitor Botelho said.

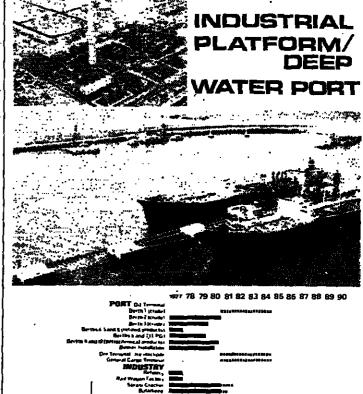
Labor Laws

Before the recent toughening of its approach, the UGT had been prepared to cooperate with the government and businessmen in redrafting Portugal's controversial and highly protectionist labor leg-islation. The UGT's support for legislative changes — needed for entry into the European Economic Community — is vital to the government. While the laws generally do not contradict the Treaty of Rome, they are widely considered a brake on investment.

The stringent dismissal law introduced by leftist ministers in 1975 virtually prevents any firing of workers. The authorized reasons for dismissal are limited and difficult to prove, and labor courts take up to five years so solve a case. To get around these laws, thousand of workers are hired on short-term contracts, renewed every six months for a maximum of three years, after which the employer must decide whether to keep the

worker permanently.

Labor Minister Rodrigues wants to revise the law to include an incompetence clause, and simplify the hiring and firing process.





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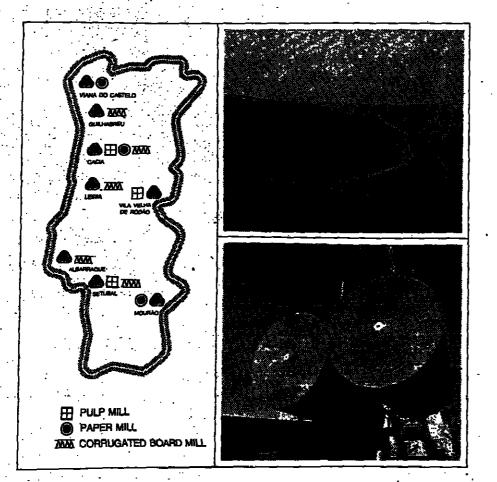
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GROWTH AND PROSPECTS FOR THE **PORTUGUESE ECONOMY: The Eighties**

Following the recovery of the external balance, which was achieved in 1979, the Portuguese economy has weathered the impact of the second oil price increase quite well. In 1980 the economy was able to consolidate the increase in activity initiated in the second part of 1979. Investment recovered strongly, and despite the increase in energy prices, inflation has abbated and the annual deficit in the balance of payments has increased to only 4.7% of GDP.

In 1979 and 1980, GDP was able to grow at an average (5.1%) significantly higher than the OCDE average (2.1%). This acceleration was due to the large expansion in exports of goods and services (18%, on average, in the last three years) and the recovery in investment in 1980 (estimated at 13%). The expansion of exports meant a large increase in market shares, especially in European countries. This was the result of an outward looking policy adopted since 1977 involving an exchange rate and incomes policy that made possible to regain the pre-1973 international competitiveness, together with other export promotion policies and an appropriate monetary policy. The success of these policies was evident despite the negative effect of the rise of protectionism in certain developed countries that is becoming more and more limitative in a world of slow

The recovery of private investment is evident in 1980, and resulted from a build up in profits since 1977, the acceleration in economic activity, an easier credit policy during the year and a new investment policy that has given subsidies and tax exemptions to new investment projects with sound economic profitability and social productivity. This trend appears to continue well during the current year, supported by the launching of a large program of investments by public firms and the public sector.

The inflation rate that was 24% in 1979 decreased to 16.6% (the OCDE average was 11.2%), due to the decceleration in the rate of depreciation and an increase in productivity. Some administered prices were also kept under strict control, particularly in the nationalized sector.

The Parliament has approved last March the Medium Term Plan for the 1981-84 period. The Plan estimates a growth rate of 5% per year, with investment expanding 8% per annum. Exports are expected to grow at 8% per year, due to the adverse international environment. The increase in productive investment is required for the development of modern sectors, to diversify exports, import substitution and to fill some gaps in the industrial flows. Investment in housing and social infrastructures must increase 8% per annum. On the employment side, the creation of about 200-260 thousand jobs is planned, and it is estimated that the rate of unemployment will decrease to about 6% in 1984.

The objective of investment and inflation requires the containment of the public sector deficit, which implies a very moderate increase in public spending.

The inflation rate is expected to be reduced to the average European level by 1984. This will be accomplished by a progressive reduction in the rate of devaluation, moderate increases in wages, containment of public sector deficit, and adequate monetary, incomes and prices policies. Monetary programming of total credit will continue in line with macroeconomic objectives.

Compensation for the nationalization of firms has already been granted. The stock market has reopened. The Integrated System of Incentives for Investment has defined an industrial strategy for the domestic and foreign investment in manufacturing (priority is given for sectors that have high domestic value added, save foreign exchange and create new jobs) with credit and tax subsidies. Portugal has shown clear comparative advantage in the manufacturing of machinery, transportation material, textiles, clothing, paper pulp and other intermediary technology and labor intensive industries. Tourism is a flourishing industry. The current investment plan undertakes large projects in iron and steel, chemicals, highways, coal-fired power stations for oil saving, and the strong development of vocational and technical education.

> Banco de Portugal. Research and Statistics Department.

PORTUGAL

Cartoonist Spars With President

L ISBON — Portuguese cartoon-ist Augusto Cid. 40, used to like politics and politicians. "If, politicians didn't exist." he once told an interviewer. "I wouldn't have anything to draw about." Now, he says, "I am fed up and disappointed with all of them."

He has reason to be. During the past year and a half, two of his books of cartoons lampooning President Antonio Ramalho Eanes have been confiscated, he has been brought to trial for causing "irreparable damage" to the president's reputation, and he is facing charges brought by his own political party, the Social Democrats, for starting a campaign to discredit the findings of the committee appointed by the government to investigate the causes of the plane crash that killed Premier Francisco Sa Carneiro last December.

Mr. Cid's troubles began in 1979, when he brought out a book of cartoons called "Superman." which depicted Mr. Eanes as a man who has unlimited powers but who refuses to use them. Mr. Cid also took swipes at the president's wife, his sex life, his seeming inability to smile and other personal characteristics. By standards in the rest of Europe and the United States, the cartoons were relatively

But the president was apparently offended. Four thousand copies "Superman" were seized, and the attorney general brought charges against Mr. Cid that could have earned him a jail sentence of two to five years.

militant member of Mr. Sa Carneiro's Social Democratic party. and he has used his wit to further his party's aims and try to discredit its main adversary, Mr. Eanes.

With the charges from "Superman" still hanging over him, Mr. Cid brought out a second book of cartoons lambasting Mr. Eanes. He called it "Eanito: El Estatico" ("Little Eanes: The Static"), and he depicted Mr. Eanes as a bullrighter with a quadrilla, or entourage, of Socialists and Communists who is finally run out of the ring by the crowd. Mr. Cid dedicated the new book to Mr. Eanes, who, he said, had "shown such spectac-ular enthusiasm" for the previous book "that he had acquired 4,000

copies."
The cartoons were intended to help keep Mr. Eanes from winning the 1980 presidential elections; they didn't. Mr. Cid. however, had the consolation of winning the court case over "Superman," though he never got back the confiscated copies.

Accusations

Just before the elections, Mr. Cid's political idol, Mr. Sa Carneiro, was killed when his small plane crashed shortly after takeoff I isbon. The official report said the crash was due to poor maintainance of the plane and to pilot error. Mr. Cid said it was sabotage.

Using as his pulpit the newspaper "O Diabo" ("The Devil"), for which he is cartoonist, Mr. Cid has accused Mr. Sa Carneiro's succes-

Mr. Cid does not deny that he is sor, Francisco Pinto Balsemao, of politically biased. He has been a not interesting himself in the accinot interesting himself in the acci-dent, and he has declared that rest of the press is being silenced about

> Mr. Cid. "O Diabo" editor Vera Lagoa and a small group of others plan to recreate the takeoff in a small plane under conditions similar to those that led to the crash, to try to prove their theory. The So-cial Democratic Party is strongly against the plan. "It is strange having to fight against my own party."

Advertising Agency

When the cartoonist is not engaged in political battles, he helps run an advertising agency that he owns with three partners. He is the creative editor — thinking up ide-as, drawing and doing a bit of photography. He has no other book planned, and said he does advertising because there is not enough money in being a cartoonist. "The situation of artists is very bad in Portugal. There are only a halfdozen cartoonists. They all have to do something else to survive."

Mr. Cid was born in the Azores, and attended boarding school in Lisbon while his parents worked in Africa. He won an art scholarship to Laguna Beach High School in California. Back in Lisbon, he spent three years at the Lisbon Art School studying sculpture.

Spiritual Anarchists'

He began his career as a car-toonist after being drafted into the



Cartoonist Augusto Cid

army to serve in Portugal's African territories. He published "O Que Passa No Frente" ("What Goes On at the Front") with cartoons depicting the soldiers' life in Africa. It was an immediate success.

Mr. Cid considers cartoonists "spiritual anarchists." He said they are observers rather than participating entertainers.

When a reporter from a local newspaper recently asked him if he would like to be president, Mr. Cid said he would not mind it for a month, to be able to break down all protocol.

He imagined getting off a plane during a state visit in formal dress but wearing a parachute, or reviewing the troops on roller skates. He imagined going on the evening news show and telling jokes about what happened in the palace during the day, or sending a full contingent of splendidly dressed National Republican Guards to the pastry shop around the corner from the palace for a cupcake.

"The only reason I have not run for president against Eanes on such a platform," Mr. Cid told the reporter. "is that I'm afraid I might win."

-MARTHA de la CAL

Evora: Lisbon's Royal Predecessor

By Vicky Elliott

EVORA — There are not many cities in the world that time has left intact, but there is one in Portugal: Evora, capital of the Aléntejo, as sufficient unto itself as Venice and Toledo.

Under the kings of Avis in the 14th and 15th centuries, Evora was a bustling center that supported a population of 100,000 on the produce of the great plain beyond the Tagus (alem Tejo). Portugal's granary and heartland. Its Manueline court welcomed humanists from all over Europe, and the Renaissance spread from there to the rest of the country. It was there that Alfonso V decided to conquer Morocco; that Vasco da Gama received orders from Manuel II to sail with his fleet to the West Indies. This was the backdrop for riots, intrigue, decapitations and royal matchmaking.

Made for Strolling

Today Evora hides behind its medieval walls, a small market town of 26,000. Half a day's ride out of Lisbon, it has a dozy, peaceable atmosphere made for leisurely strolling. The businesslike little Renaults parked in the residential streets are a sign of comfortable prosperity, but do not intrude. Evora is all of a piece, and the well-proportioned facades of its houses have a frank, open look that seems to sum up the deeply civilized nature of the Portuguese themselves.

Its inhabitants are sober and restrained, the men and the youngest children in the characteristic three-tiered Alentejano cape, and the older women in all possible permutations of black: black crochet on black knitting on black acrylic on black rayon.

As a counterpoint, the nights are particularly bright when the moon is out. Through the freezing winter and the broiling summer (a local proverb reads: "What keeps out the cold keeps out the beat"). Every is a reason. cold, keeps out the heat"). Evora is a magnet for moonlight, which bounces off its white housefronts and the miraculously preserved Roman temple to the goddess Diana.

The Romans knew Ebora, as they called it then - Augustus or Octavius christened the city Liberalitas Julia. Their shrine to Diana is next to the cathedral on the city's highest point. The temple was later walled up, to serve in turn as a fortress and as the local slaughterhouse, until its graceful, fluted columns were dug out early this century from their matrix of brick.

Next to the temple stands one of the best pousadas, or rest houses, in all Portugal, the former Convento dos Loios, now transformed into a magnificently comfortable post house, a showcase of traditional arts, with rooms for roughly \$40 a night. Its dining room, where one can sample classical Alentejano recipes such as porco al alentejano, a dish of pork fried with clams, is disposed round a cool loggia. A pair of twisted barleysugar columns of obviously Moorish influence remain as one of the few traces in the city of the Moorish occupation, which came to an end in the early 12th century.

The praca do Giraldo, Evora's main square, with its imposing Quinhenista foun-tain, commemorates Gerald the Fearless, a feckless robber baron who, according to farfetched legend, won the city back from the Moors single-handed in 1165. After scaling the walls with a ladder of lances hastily roped together, he jumped 20 feet from the

ramparts into the stronghold and managed not only to kill off both a watchman and his teen-age daughter but make quick work of the opposition.

In the 16th century, Evora became a Jesuit center and suffered the Inquisition - in a milder form than in Spain, insofar as less blood was spilled. One of the city's more gruesome relics is the Chapel of the Bones in the Convent of Sao Francisco, an ossuary flanked by inscriptions that grin: bones are waiting for yours."

Richly Painted Tiles

The effect is leavened by the abundance of azulejos, the richly painted tiles in blue, white and yellow, of which Evora has a particularly fine sample. The collection on the walls of the university is said to be among the finest in Portugal — but some of the Bible scenes depicted were so racy that teachers preferred to mask them with desks and blackboards.

The marquis de Pombal closed the university in 1759, but Evora's greatest days were already over. The university was only reinstated in 1975. Its library, by Diana's temple. still guards 500,000 books. Thousands of parchment-bound volumes lie worm-eaten behind chicken wire frames.

Evora, upstaged by Lisbon, retreated into sullen provincialism. But in the heady atmost phere of 1975, it woke up from its torpor to play a vocal part in the great debate on agricultural reform. Farmers from the surrounding countryside came to claim their due, and walls were plastered with graffit demanding the right to work the land.

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Central Bank: Loss of Some Power in Sight

ISBON - Under the combined pressures of forthcoming membership in the European Economic Community and a government reform program under discussion, Portugal's conservative central bank is going to lose some of its traditional power as arbiter

the money sector. The Bank of Portugal has long reigned over the banking system. but there was a time, especially in the post-revolutionary upheavals, when its circumspect housekeeping was virtually all that stood be-

tween the country and bankruptcy. In recent years, however, as the country faces the need for rapid economic expansion (in a world with deep economic problems), the tight control the bank exercises on financial policy has been criticized.

The central bank not only has the classical functions of an issuing house but also oversees and manages the banking sector, a task performed by a separate entity in some countries and one that the Portuguese Ministry of Finance is likely to take over if the reforms are approved.

Policy Defended

While some commercial banks criticize the central bank for its tight hold on operations - and toring of the credit levels that each bank is obliged to maintain, the bank defends the policy as vital for long-term economic stability.

Nevertheless, the policy is being fundamentally re-examined because of the need to create an open internal capital market, reconcile the state monopoly on banking (and insurance) with EEC regulations, and create banks large enough to compete with the Euro-pean and U.S. giants.

On the capital market question.

the Bank of Portugal has until now underwritten the state deficit by issuing treasury bonds and acting as an agent for Portugal in foreign

loans. The first steps in the establishment of a capital market have been taken, and two public companies recently issued bonds in the first post-revolutionary bid to raise

domestic loans from the public. As this market grows, absorbing the excess liquidity of the nationalized banks (offering up to 20 percent on term deposits), the finance ing of the national budget will be made easier. But Rui Vilar, deputy governor of the Bank of Portugal warns that, while this has advantages, it will also raise the rate of inflation, a prime target of govern-ment fiscal policy during the last two years. The inflation rate has dropped from 22 percent to about 17 percent this year, official sourc-

Stock Exchanges

Mr. Vilar, stressing the importance of the capital market, said, We are cooperating with the government in this venture as a way of financing internal deficits and reducing the central bank's role in the system."

The growth of the capital mar-

ket will also be helped by plans to revitalize the Lisbon and Oporto stock exchanges. Share movements are spectacularly flat because, with the revolution in 1974, the exchanges were closed, the best-quoted companies nationalized, and the boom of the previous year dra-matically and in many cases disastrously halted. Thousands of people lost their savings or found themselves with huge bank debts, and it will take some time for investor confidence to be restored, some bankers feel

Furthermore, a lack of attractive stocks plus the absence of any mechanism for nationalized banks to operate in the share market means that there are no unit trusts or bank-managed issues of private

enterprise to share capital. These shortcomings are not the

only inhibiting factors in Portugal's financial system. The state banks, although recently authorized to increase their capital, in some cases by as much as three times the present level, are far too small to compete with the international giants. The government is preparing to merge several of the smaller banks, but apart from creating larger institutions, there will also have to be a dramatic alteration in attitudes and approaches to banking, which are bogged down by bureaucracy and inefficiency.

As the annual report of the Banco Pinto e Sottomayor pointed out. Portugal is at the bottom of the EEC banking league. To reach comparative levels, the local banks must grow between 102 percent and 329 percent. The banks, the report continues, generally have twice the EEC average number of employees, coupled with the lowest profitability per employee (\$4,712 against West Germany's \$15,824 and Britain's \$13,690). The report concludes that, "without a metamorphosis in the system, it will be hard to survive against open competition from our European partners in the EEC."

Meanwhile, the three private banks that escaped the 1975 nationalizations — Bank of London and South America, Credit Franco-Portugais and Banco do Brasil

— turned in another year of good

and the present initiative may be rejected as well.

The international institutions like Chase Manhattan, Barclays and Bank of America are poised to take larger shares of the wholesale hanking market once restrictions on foreign banks are modified. There is also a new interest in para-banking operations, known as investment companies, which several wealthy Portuguese former bankers have set up in an offensive

on the banking sector.

The Bank of Portugal, always circumspect about uncontrolled foreign capital investment, is lobbying heavily for a three-year transition before complying with EEC regulations on capital transfers. But Brussels opposes this.

Tied to this is the need to open the banking sector to private enterprise in terms of the Treaty of Rome clauses against discrimina-tory practices. Lisbon faces the problem of a constitutional block on denationalizing the banking sector, taken over by the leftist post-revolutionary regime in 1975. The constitution is due for revision this year. Meanwhile, the conservanve government has a bill before the parliament to redefine the public and private sectors in a move to break the state monopoly on bank-

The bill has been rejected three times by the Council of the Revo-Intion, a constitutional watchd

— KEN POTTINGER

Contributors to This Supplement

KEN POTTINGER, who coordinated this special supplement on Portugal, is a British journalist who has been based in Portugal for the last seven years. He is a regular contributor to the International Herald Tribune and its special supplements. Besides other international media, he corresponds from Portugal for the British Broadcasting Corp., Newsweek magazine and the Canadian Broadcasting Corp. Other contributors are:

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ERIC ROBINS — A British author and a longtime correspondent for Time Magazine in Nairobi. JILL JOLIFFE - An Australian based in Lisbon, she contributes to the Guardian, Melbourne Age, the Toronto Globe and Mail. She

recently wrote a book on East Timor. MARY CASTANHEIRA — A Canadian based in Lisbon for the last 20 years, her work has appeared in the Wall Street Journal, Cam-

paign Europe and Business Europe. CAROLE GARTON - A Lisbon teacher and writer, she has lived in Portugal for 20 years. She contributed to last year's IHT report on

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DIRECTION

Portugal's Gypsies Still on the Outside

By Carole Garton

CINCE THEY mysteriously appeared in Europe in the 15th century, Gypsies have been threatened with severe penalties, including death, un-less they abandoned their for-

eign customs.

But nowhere have these des-cendants of Asian nomiads thrived as well as in the Iberian Peninsula, despite constant harassment by the state and in-dividuals.

dividuals.

The Iberian Gypsies, like the others; have survived off their wits. Tinsmitting and basket-making, their only crafts, are dying out. At country fairs all over Portugal and Spain, the men handle most of the buying and selling of livestock. They are past masters at the cruel art of fixing up old nags, at least for the duration of the fair. They are also persuasive sales-men, who often act on behalf of less elequent peasants in mar-

But trucks, tractors and motorbikes are replacing horses and donkeys, and seasonal fruit-picking is no longer

madic lifestyle. So younger gencrations of gypsies are wandering into Lisbon, Madrid, Seville and other cities to join the members of their families already living in shanty suburbs or the urban underworld.

There, the men hawk "gold" watches to the unwary, and clothes factory rejects to the unfastidious. The women are consummate street vendors, and they also engage in for-tune-telling and the making of

magic potions.
Only married women, some with babies in their arms and children nestling in their long skirts, are allowed to look for business. An old-fashioned concept of honor is tenaciously up-held by the Gypsies. Young, unmarried girls are constantly watched, and a tribe will seek terrible vengeance if it believes that the code has been

The 90,000 Gypsies in Portugal and the 600,000 in Spain belong to a branch of North Indian emigrants that split from the main group as it approached the Mediterranean in the 14th



Iberian Gypsies: Surviving in an age of change.

century. While the others coninto Eastern Europe, they traveled across North Africa and entered Spain at about the same time that Moslems and Jews were being ordered out unless they converted to

Christianity. The Gypsies were quick to embrace the church, and in this way they fared a lot better than the Jews and Moors, whose civilizations in the peninsula were systematically destroyed as the Christians reconquered the

Although Col. Cody, better known as Buffalo Bill, de-clared, after visiting Gypsies in Southern France, that they were related to the North American Sioux and Iroquois,

researchers have proved their origin in India. Whether they Portuguese Ciganos, Spanish Gitanos, French Gitans, Russian Roms or Hungarian Tziganes, their taboos, customs and what remains of their language link them to the Indian

The Gypsies have been better integrated in Spain than in Portugal Some of Spain's best builfighters, flamenco dancers and musicians are Gypsies. Besides inspiring so many Spanish poets, composers and painters like Garcia Lorca, De Falla and Romero de Torres, the Gypsies have fascinated artists of other countries such as Verdi, Prosper Merimee and countless

An Image-Maker

servative government has in the country today, it is thanks in large part to the efforts of Joso Coelho Nunes, a onetime insurance salesman now responsible for marketing the Portuguese premier and his 20vermment.

Mr. Nunes' job is considered vital by Premier Francisco Pinto Balsemao, the first Portuguese government leader to employ a full-time marketing executive.

What is the officially designated "assessor for marketing in the pre-mier's office" selling? Basically, the government and its policies. Mr. Nunes says his job is to convince the Portuguese that, for the first time in 12 administrations, they have a government capable of solving their problems. He must also create a clear image of a goverament that intends to last out its four-year term, a novel idea in democratic Portugal.

As a former executive in the Post Office administration, Mr. Nunes is also concerned with creating corporate images for state institutions that will project the idea of a Portugal bound for membership in the European Economic

He says that his task extends beyond the frontier: "We need to project the Democratic Alliance to its fellow European governments,

L ISBON — Whatever image and Portugal to its future Com-portugal's 6-month-old con-mon Market partners."

In this regard, he will be stressing the nation's strategic position on Europe's and its vital Atlantic island possessions of Madeira and the Azores. Language affiliations with Brazil and the former African colonies, especially Mozambique and Angola, are another selling

— KEN POTTINGER



Joao Coelho Nunes



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Balsemao: Development Will Counter Communists

By Harry Debelius

T ISBON — Constitutional reform was a key plank in the platform of the Democratic Alliance coalition under the leadership of Francisco Sa Carneiro, who died in a plane crash last December, and it was taken over wholeheartedly by Premier Francisco Pinto Balsemao when he took office as the leader of the center-right government last January.

The left-leaning constitution, which reflects the upsurge of Com-munist influence after the so-called carnation revolution of 1974 that followed a half-century of rightist dictatorship, has been getting a lot of attention this year.

Mr. Baisemao expects little serious opposition to the government's constitutional reform program, and he argues that the principal opposition party, the Socialists, led by Mario Soares, have hardly any choice other than to go along with the reform if they expect to retain the confidence of and so we need to negotiate and their electorate.

Discussing such matters as the government's economic and social programs and constitutional reform, in his austere modern office in Lisbon, the Social Democratic premier said: "The better we develop the country, the less oppor-tunity the Communists have." He added, "Defeating the Communists is really a question of giving the people better conditions for living for work and for leisure. It's not a question of fighting only on political terms."

'Our Own Rules'

Asked how much of his constitutional reform program he expected to get approved, he said, "It depends on several factors. First of all, we are not disposed to negotiate at any price.... We have our own rules, let us say, and our own principles ..., and those principles we have a right to respect. Second-ly, we need a majority of twothirds to change the constitution,

find some sort of agreement with the Socialist Party on some of the

"But by that I don't mean that the Socialist Party will be the re-feree of the constitutional revision. I'm sure that the Socialist Party is aware of the serious political implications if it refuses any essential change, because times are different now. We are ready for full democracy. That's what the people want So, if the constitution, which is the fundamental law, is not adapted to reality, we run into danger, and the Socialist Party will not be the referee then, it will be the accused.

"If we don't change the constitution reasonably, according to the present reality, according to the principles and rules of democracy in the Western countries, the people will not forgive those who did not allow us to do it."

He continued: "There's a tend-

easy to say, but I don't accept that. I think it's they who have to accept the reality and understand that there is a need for revising the constitution in some essential points, and it will be their responsibility to

the country and to democracy. "That is not to put all the responsibility on their shoulders. We are ready to negotiate, as I told you, but they should at least share this responsibility, which should not be the responsibility of just one party or one coalition. It's a national responsibility, especially of the democratic forces, and of course I consider the Socialists to be among the democratic forces."

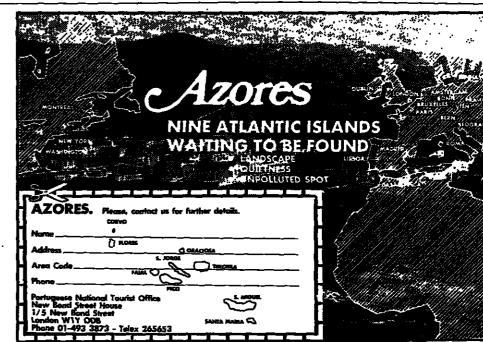
The Portuguese Army, which led the 1974 uprising that overthrew the Salazar-Caetano regime, will be directly affected by the reform, since the powerful Council of the Revolution, made up of military leaders, is destined to disappear ency now to say everything de-pends on the Socialists. That's very Yet Mr. Balsemao does not think

such a change will have disturbing results within the military estab-

"The constitution was approved and voted on in 1975 and '76," he explained. "Historical conditions, political conditions, were then completely different from what they are now, so we feel that the constitution needs a deep revision. We are not speaking about a new constitution, we are speaking about deeply revising the current

"First of all, we should have a text which is adapted to the pres-ent social and political realities, and therefore a text which can be used, let's say, no matter who is democratically elected to govern. The present text is a programatic one, in the sense that it points toward only one ideological op-tion: It speaks of the transition to Socialism. For instance, it declares all the nationlizations made up to now to be irreversible.

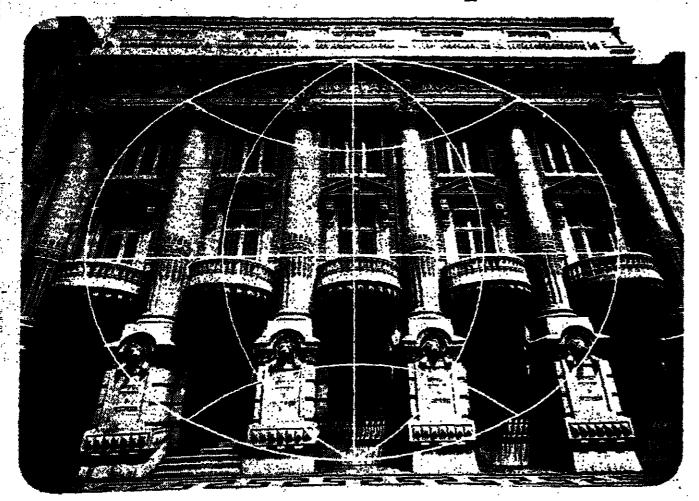
"Secondly, the structure of polit-(Continued on Page 14S)



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Algarve: Exotic Farming In 'Garden of Portugal'

I nign Mediterranean climate, is known as "the garden of Portuand it is dotted with small gal," and it is dotted with small holdings belonging to Portuguese and foreigners who grow and mar-ket "exotic." or comparatively rare, varieties of fruit and vegeta-

These include plump, glossy strawberries; asparagus; cantaloupe and watermelons; Israeli lemons; avocados; raspberries; watercress; grapefruit; passion fruit and green celery. Most of this produce goes to leading restau-rants in Portugal or to the homes of well-to-do expatriates. There is

virtually no export trade. Geoff Barter and his wife, Joan, came from Britain to Portugal in 1970 and have gone successfully into market gardening. "We had no family commitments in England," said Mr. Barter, a trained agriculturist. "Additional land for market gardening was hard to buy or rent. We felt we wanted more living — or earning — space, and a warmer climate.

On their land at Ludo, near the Algarve capital of Faro, the Barters grow in seasonal rotation strawberries, melons, asparagus (which brings more than \$1 for a small bundle), green peppers, giant cauliflowers — and Brussel sprouts at Christmas for Britons in Portugal who insist on having this traditional vegetable with their turkey.

"We have to work hard for long hours, but we make a comfortable living." Mrs. Barter said. "What will be the most profitable crop is always something of a gamble depending, of course, on supply and demand. One year it's strawberries, another year it's

Both Portuguese and foreigners who take up market gardening can obtain agricultural bank loans. The rates of interest vary from year to year, but currently they stand at 12.25 percent for less than a year, and 13.25 percent for a year

Ian Sewell of Almansil in the Algarve, who has switched from market to landscape gardening, said: "Naturally, the Portuguese get these short-term loans more readily than foreigners. But, whatever your nationality, you have to prove profit potential, provide regular reports in the progress of your two acres of tomatoes or what-have-you, and produce invoices to the bank manager from time to time.

'exotics,' there are more complica-

power plant. And new ones are under

People.

project. A new interconnection,

the first one at 400 kV,

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of Portugal and Spain,

led our Country to be

closer to the

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Community. We have invested over 70

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We exist to ensure today, tomorrow's needs of energy in Portugal. We have 44

hydroelectrical and 6 thermal power plants under operation. But we have to go further

on. Under construction we have by now 5 hydroelectrical power plants plus 1 thermal

THE ALGARVE, with its be-nign Mediterranean climate, is known as "the garden of Portu-Britain. Take the markets for the Portuguese themselves. With a low-income population of some 10 million, these are small and conservative. For instance, the average Portuguese won't buy green celery. It's like trying to sell green asparagus to a Frenchman. He only wants the color he knows -- white. The Portuguese, as a rule, won't eat grapefruit, or toronja. It's just not their idea of a good fruit something sweet and rather sickly. They prefer to make marmalade

"And avocados are dicey. They are susceptible to frost, and tend to ripen at the wrong time - when there are very few tourists about But a number of Portuguese in the Algarve are now going into growing them on a big scale, in view of the high prices they can com-

Breaking Ground

While some enterprising Algarve families are busily cultivating carob trees because of an increasing demand for the nutritious beans, two foreigners — an Italian and a South African — are breaking ground with widely different

fruit ventures.

Giulio Colegvezzosi is determined to establish the Algarve's first pineapple plantation, on 20 acres of a hillside overlooking rice fields at the village of Odeaxere, near the fishing port of Lagos. "Although pineapples are strictly tropical fruits, the soil and climate of this corner of Portugal are perfect for their production," he said.

Mr. Colegvezzosi set up a major pineapple growing business in the former Portuguese territory now called Mozambique, and his company, Anazul, has imported 350,000 young pineapple plants from the Ivory Coast and invested 18 million escudos in the Algarve experiment. The plants are being raised under strips of plastic sheet-

At Tavira, 65 miles along the coast from the pineapple planta-tion, South African-born Sherri Wiltsher is growing 1,500 seedless lemon and 400 passion fruit plants in the hope of setting up local and export markets. She has a Portuguese farm manager. "Passion fruit ... is practically unknown in Portugal," she said. "Its sweet and subtle flavor makes it ideal for cool summer drinks, in ice cream or simply as a somewhat new and "Once you've got going with the delicious dessert fruit."

-ERIC ROBINS



Maria Teresa Horta

Maria Teresa Horta: Time Left for Poetry and Causes

ISBON - Just before Portu- She believes, however, that it will gal's revolution in 1974, Teresa Horta gained fame as one of "The Three Marias" - three Portuguese women writers who collaborated on "Novas Cartas Por-tuguesas" ("New Portuguese Letters"), a book of poems, essays and stories that the dictatorship con-sidered pornographic and politi-

cally dangerous. All copies of the book were confiscated under the strict censorship laws, and the authors - Maria Teresa Horta, a poet; Maria Isabel Barreno, a novelist; and Maria Fatima Velha da Costa, a social es-

sayist — were brought to trial.

The cause of "The Three Marias" was taken up worldwide by feminists, who flocked to Lisbon for the trial. The three are militant feminists, but their principal motive for writing the book was political. They were determined to strike out against the dictatorship and its censorship of writers

particularly women writers. Before they were sentenced, the revolution came. Under the new democratic laws, they were acquitted. "The Three Marias" broke up. however, amid a great amount of bitterness. Only their common po-litical fight had held them togeth-er. Said one of them later, "To write a book together is to become

a three-headed monster.' Women's Marches

Teresa Horta and Isabel Barreno founded the Portuguese women's liberation movement shortly joined by women lawyers, doctors and other professionals. At that time, Portugal's laws still gave absolute control of wives, property and children to men. Ms. Horta and Ms. Barreno led women in marches on the presidential palace and in picketing government ministries. They stopped the 1974 Miss Portugal pageant by threatening to overrun it and set loose a flock of chickens.

By 1975 the women's movement

had come under the control of women from labor unions and the Socialist and Communist parties. When Ms. Horta attempted in Lis-bon's Eduardo VII Park to stage a ceremonial burning of brassieres and other items seen as symbols of women's represssion, she and her followers were attacked by crowds of women and men yelling, "Get the bourgeois capitalists!"

Ms. Horta came to believe that that type of feminist protest was indeed "bourgeois and elitist." She oined the Communist Party in 1975 and was named a member of the national council of the Communist-oriented Women's Demo-

take at least two generations for these to be put fully into practice. Women in cities and factories have equal rights and salaries, but those in the country are still living in conditions out of the Middle

Ms. Horta published her first post-revolutionary book of poems, "Women of April," in 1978. The poems depict the common struggle of women during the revolution. For a time she was editor of the literary supplement of A Capital newspaper. Three years ago she was asked to set up and edit Portugal's first women's magazine. fulheres (Women).
Ms. Horta is collaborating with

former Premier Maria de Lurdes Pintassilgo on a book about Miss Pintassilgo — a left-leaning Catho-lic activist who was the prime mover in the enactment of equal rights laws in Portugal - that is expected out in November. She is also working on a series of short biographies of outstanding Portuguese and foreign women, called "Women, My Sisters," and she is

planning a book on violence against women in Portugal.
Yet she still finds time for her poetry, and she has gone into psy-choanalysis. "I believe that psychoanalysis can help women to understand themselves and society and why they are oppressed," she said. She decried what she sees as a negative influence on women by Freud, but defends the ideas of the

American psychoanalysist Melanie

Tourism: New Look At Unspoiled North

L OCOMOTIVE No. 151 and the venerable carriages it pulls are a unique attraction in Portugal's little-known north. The roads twist like question rate and the narrow-gauge railway tries to emulate them, in this land where the little farms, with their high-trellised grapevines, look more like gardens.
The Historical Train is available

only by charter. It puffs up the lovely Douro Valley, sometimes reaching the breakneck speed of 30 kilometers an hour, rattling through the vineyards that produce the grapes for port wine, past ancient farmhouses and flowery orchards.

The steam engine was built in Esslingen, Germany, in 1886, in the workshop of Emil Kessler, the cars it pulls, with their lace cur-tains, cut-glass windows and inlaid woodwork, all have about the same age. The train was lovingly restored in 1971, and it is maintained with the kind of care that only old train buffs can feel for teaming relics.

Tourism officials are paying more attention to the possibilities of the north. It is a land of sofmess despite the rugged mountains, quite unlike the sun-soaked south. The Secretariat of State for Tourism is talking about bringing a tide of visitors to the area, but the nostalgia lovers and the ecologists can rest easy. The authorities say that they do not want to bring in so many vacationers that they risk destroying the scenery.

Small Hotels

A four-year plan calls for the construction of a number of small hotels in the beautiful mountains and valleys, plus a new freeway with financing from the European Economic Community. The old roads will remain because of their charm, and the administration says that the region will continue to be one of the most unspoiled parts of

Western Europe.

In the meantime, travelers who want to be first at the "in" places can start booking as houseguests at private villas and farmhouses under a new government plan, the de-tails of which will soon be avail-

able to travel agents. For those who prefer not to venture beyond the places where they can stay in good hotels, there are plenty in the cities and towns of the Costa Verde and the Costa de Prata: Viana do Castelo, a city fa-mous for its handcrafted lace and with more than enough churches dating from the 15th and 16th centuries to keep amateur readers of ancient inscription busy for a month of Sundays; Ofir, a beach resort set among cork and pine trees that is one of the best vaca-

Varzin, a fishing village where they really still fish but in the shadow of a new 15-story beach-side hotel, the Vermar Dom Pedro, that is as tastefully modern on the inside as it is dull modern on the outside: Oporto, the city whose outside: Oporto, the city wasename is known around the world because of the wine: Aveiro, the Venice of Portugal, with its lageon, its canals and the twisting arms of the delta of the Vuga River; and Fifueira do Foz, where a meal of shellfish is reason enough

to make the detour. Places of lodging are not abundant in the interior, but they often have a charm that the new hotels cannot match. There are 11 pousadas (state-run inns) in the north,

often in historic buildings. It is hard to conceive of a place with lovelier surroundings than the 10-room Sao Bento Pousada in the Peneda-Geres National Park, overlooking the chain of lakes along the Cavado River and the forests.

The traveler who likes to stay off the beaten track can strike out by car on the roller-coaster roads of Tras-os-montes, the mountainous hinterland where every turn brings a new surprise, whether it be a superb view or a middle-of-the-road mule. The weary driver is rewarded at the end of the day by the simple but outstanding local dishes in places like Sapiaos, near the hill town of Chaves, where the trout and ham, washed down with red or sparkling wine from the Dao district, are a memorable experience. There is opportunity for relaxing too, in dozens of spas, most with fine, old-fashioned hotels.

Then, too, there are the hostelries known as estalagem in most of the larger towns, and some are extremely comfortable. Some, like the Estalagem do Cacador (Hinter's Inn) in the mountain cross-roads town of Macedo do Cavalheiros are so "old Portugal" you cannot believe they are for

There I sipped an old aguar diente, a Portuguese brandy, in the lounge after a dinner during which four women waited solely on my

Under a brick-red painted ceiling the big-screen color television set rested on a polished wooden plank against a backdrop formed by a large and elaborate tapestry a hunting scene.

went upstairs to my balconied high-ceilinged room and climbed into the old bronze bedstead, thinking of how the Portuguese. with the remarkable sense of universality that made them integrate themselves in their colonies, had instinctively enshrined the household deity of the 20th century, the

Strains in the Continuing Rush South

By Eric Robins

MORE THAN 60 percent of the 7 million visitors to Portugal last year came to the Algarve. creating strains on the province's weak and outdated facilities.

The flood of German, British, Dutch, Scandinavian and American vacationers into a region unknown to international tourism less than a couple of decades ago was swollen by tens of thousands of Portuguese from Lisbon and the Portugal's tourist trade - which

is based on abundant sunshine and a low cost of living — is said to be the fastest-growing in Europe, but the problem is whether the Algarve's public services can cope with the increasing seasonal demands.

she said, "and they all have their own views on helping to finance tourism out of their coffers, and on how to deal with the various issues

Coastal Cleanup

They are currently agreed, how-ever, on tackling one of the priori-ties: a cleanup with a kind of giant vacuum cleaner of the beaches and coves along the province's 120 miles of rugged Atlantic coastline. "We're getting two more of these machines so there will be one for every 40 miles of beaches," Ms. Caldeira said. "The three casinos on the Algarve are giving the municipalities a percentage of their profits to pay for the extra beach

more camping sites along the coast — with water supplies, sanitation and other facilities — to absorb the increasing numbers of young-sters with backpacks (the Por-

their bylaws and forbid camping outside official areas." The Algarve is also strictly con-

trolling the speculative building of high-rise hotels, towering condominium blocks and so-called vacation villages. "The Algarve may have made a few mistakes in this sphere in the past," Ms. Caldeira said, "but building regulations—and these include the preservation of green zones—are being firmly of green zones — are being firmly applied. The government seems determined there will be none of

those hideous concrete jungles you

find on some of the holiday coasts. of Spain. The vacation season of June through September, when the population is much increased, taxes the region's electicity supply. Scheduled and unscheduled blackouts are frequent and frustrating. "This has gone on for too many years, and the problem must be solved." Ms. Caldeira said. The Algarve's water supply is another seasonal headache. And sanitation is "chaotic," admits Colleia Cunha, president of the Algarve Sanitation Commission.





Construction site: Building a symbol of U.S. interest.

U.S. Ties: Costly Embassy Rises

Within the walls of a 12-acre former farm. Washington plans a four-story chancellery, a two-story consulate, and installations for the Military Assistance and Advisory Group, the U.S. Marine guard and a cafeteria. Existing structures, including a two-story manor house, a private chapel and formal gardens, will be retained and in some cases transformed

The Quinta dos Pinheiros (pine farm) development is to be completed in the fall of 1982. Conceived three years ago, the compound, which will not house the residents, is a symbol of U.S. interest in Portugal With 111 Americans and 125 Portuguese employed, the complex will also include a cultural and Englishteaching center and the office of the U.S. Agency for International

An embassy officer said the complex means that Portugal is a good deal more important to the United States than its land area or its trade figures would indicate.

Portugal is important to the United States parily because of its geographical position and its strategically vital Atlantic island possessions, which makes Washington

the late Premier Francisco Sa Car-neiro, made much of the Lisbonfirst Western ally to heed former President Jimmy Carter's call for sauctions against Iran during the hostage situation in 1980, and was an early partner in the freezing of ties with the Soviet Union over the intervention in Afghanistan.
It was not always like this. In

military commander, Maj. Otelo Saraiva de Carvalho, warned him to leave Portugal because his safety could not be guaranteed.

For two years, the United States maintained a low profile while Marxist-inspired revolutionaries railed against American imperialism, multinationals and capitalist excesses. But things calmed down, and in the 1976 parliamentary vote, Mario Soares' Socialists were elected to form a minority govern-ment. Ties with the United States were slowly strengthened, and a vast aid program was set up to resvast and program was set up to res-cue the Portuguese economy and help with the integration of 1 mil-lion Portuguese from the former

colonies.

After six years, this program, carried out by the Agency for International Development, contineager to bind it firmly to NATO ues to be an important U.S. flag

I ISBON — High on a mound and ensure that bilateral accords on U.S. facilities are maintained.

The present conservative government officer serving in a West European country.

The present conservative government officer serving in a West European country.

The fact that he is in Portugal. with a staff of 25, indicates the pri-Washington ties. Portugal was the ority that Lisbon gives to development as it anticipates its entry into the European Economic Commu-

nity.
Since 1975, the United States has made available \$757.7 million in concessionary grants and gifts to Portugal — funding about 150 It was not always like this. In 1975, at the height of the revolution, the U.S. ambassador at that and the Azores — a significant contribution to the \$2.3 billion of aid that Western counworth of aid that Western countries and institutions have given Portugal in the last five years.

But development also depends on the way the money is spent "For Portugal really to make big strides in its economic development, the country needs intensive management training schemes for its private and public sectors," Mr. Finberg said. With this in mind, the U.S. aid program has set aside nearly \$11 million dollars for the "technical consultations and original consultations and original consultations and original consultations. technical consultations and training" grant, which finances observation, consultation and training programs in the United States for Portuguese officials, and the services of U.S. consultants in Portugal. Since the program began, 400 Portuguese have been to the United States and 200 U.S. consultants have helped the Lisbon govern-

--KEN POTTINGER

Atlantic Islands: NATO Seeks Wider Facilities

ISBON - Portugal's Atlantic islands are assuming an increasingly important role in U.S. and NATO military strategy, and military planners are pressing for a major expansion of air and naval

The Azores, about 1,000 miles west of Lisbon, form a mid-Atlantic stepping-stone vital to Western defense. The U.S. air base at Lajes on Terceira Island is a crucial refu-eling point for airborne forces moving rapidly from North America to the Mediterranean, the Middle East or the Gulf.

Recognizing its importance, the Reagan administration has asked Congress for \$51.4 million to beef up Lajes in preparation for han-dling the planned U.S. Rapid Deployment Force. U.S. officials in Lisbon say that this represents only half the planned spending on repairs and improvements to the air base during the next five years air base during the next live years
— including resurfacing the main
runway, taxiways and apron,
modernizing navigational aids,
building extra fuel tanks, and improving the neighboring U.S.-built

harbor. Lajes is surrounded by a network of underground supply areas whose contents can be airlifted to any transatlantic spot within

Short-Range Fighters

Since Lajes airfield was built by the British during World War II, it has also been used as a refueling point for short-range lighter aircraft being ferried across the At-

The airfield's third main function is to serve as a base for P-3 Orion maritime surveillance planes patrolling 2.5 million square miles of the North Atlantic. EA-3B electronic warfare aircraft are also stationed there, along with units of the Portuguese Air Force.

The facilities at Lajes are leased to the United States under a fiveyear agreement signed in 1979. Special operations involving countries outside the NATO area require prior approval by the Portuguese government. In return, Portugal is receiving \$140 million worth of aid, of which nearly half is for military purchases.

NATO is anxious to boost military facilities elsewhere in the Azores, which Portuguese President Antonio Ramalho Eanes recently described as "a pillar of support in the defense of Europe." NATO is considering the island of Santa Maria, whose excellent airfield is used as an alternative landing ground to Lajes. The alliance

has a submarine listening post on Santa Maria and is eager to see the trolling the North Atlantic, and mountainous with a steep rocky coast, but its small neighbor, Porto island equipped with a deep-water gional command center on Sao Mi-

In 1975, when a Communistbacked government held power in Lisbon, Santa Maria was used as a refueling stop by Cuban planes carrying troops to Angola. A pro-U.S. Azores separatist movement flourished at the time, but withered into insignificance after the Communists were removed from power and Portugal completed its transition to parliamentary

democracy a year later. The democracy born of the 1974 revolution stabilized, and with the opposition Socialist Party as staunch a supporter of NATO as the ruling center-right coalition. Portugal is judged ripe for military

investment. Last year, NATO paid 25 per-cent of the cost of repairing the breakwater of the Azores' main deep-water port at Ponta Delgada on Sao Miguel Island. It is fre-quently used by NATO ships pa-

NATO also wants to improve port facilities on two other islands - Faial, where new fuel tanks were installed last year, and Flores, where France operates a missile tracking station whose existence was kept secret until 1978.

Of growing interest to the alli-ance is another Portuguese archi-pelago, the Madeira Islands, 550 miles southwest of the Portuguese mainland. Madeira guards the southern approach to Europe and the Strait of Gibraltar. It is also the southernmost point of NATO territory.

The so-called Portuguese triangle between Madeira, Lisbon and the Azores covers the world's most intense concentration of shipping

Madeira, the main island in the group, is unsuitable for building major aero-naval facilities, being

Santo, offers more favorable conditions. Intercontinental jets can touch down on Porto Santo's 2,440-meter runway, and a deep-water port capable of receiving 50,000-ton tankers is under con-

struction. The Portuguese government is tight-lipped about military plans for Port Santo, but NATO officials see the island as a possible aircraft carrier base. The Communist newspaper O

Diario said recently that NATO was contributing \$30 million toward the new harbor and would pay two-thirds of the cost of exnding the airport runway.
Work to upgrade the airfied's fa-

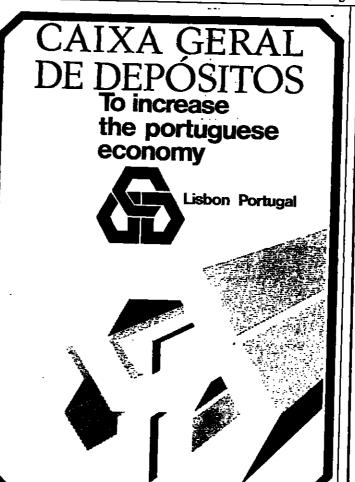
cilities is in progress, but NATO sources say that plans for the alli-ance to fund public works on Por-to Santo are still in the formative stages. Nevertheless, the leader of the Madeira regional government, Alberto Joao Jardim, has said that, if NATO wants to use Porto Santo, the richer members of the alliance will have to pay for infras-tructural improvements.

Madeira has a potential role as a western bridgehead toward Africa and the South Atlantic. Porto San-

to's airfield proved its value in this respect when it was used as a refueling stop for aircraft carrying Belgian troops to Zaire in 1978.

A growing military presence on the island could bring Portugal into conflict with the Organization for African Unity, which has not yet indicated whether it considers the Madeira archipelago to be a colonized African territory and therefore due for independence.

According to military sources, the United States is particularly interested in developing Porto Santo. Washington sees the island as a fallback base if its facilities in Morocco are ever withdrawn. The Spanish Canary Islands lie 300 miles to the south of Madeira, but Madrid has made it clear that NATO will not be granted military facilities there even if Spain even-tually joins the alliance.



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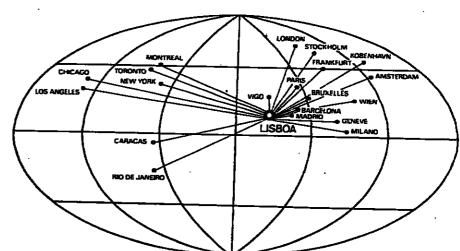
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-PORTUGAL -

Armed Forces: 'Silent Majority' Commands

majority.

NATO allies.

to prominence during the revolu-

tion, gave the following assessment of the military's political loyalties:

About 80 percent of the officers

are deeply conservative. Precisely because of that, they want nothing

to do with the politics. All they

want is to obey orders transmitted through the correct chain of com-

mand. The remainder are political-

ly motivated and, within that small

fringe, the left is probably in the

Under the former dictatorship,

the politically motivated right was in charge of the armed forces. Af-

ter the revolution, it was the leftist

fringe. Now the silent majority is

in command. This majority knows

the dangers of politics and blames

the politicians both for having in-volved the army in the African

wars and for having forced it to

make a humiliating retreat from the colonies. The military are only

just beginning to recover from their traumatic experience in Afri-

ca and to realize that it has given

them something to teach their

The collapse of the empire means that the armed forces have

had to be restructured with a view

to a NATO role, rather than a co-

lonial one. The army has been cut

LISBON — If there is a successful military coup in Spain, our democracy will not survive more than 18 months — two years at most," said a leading member of the Socialist Party. This is a widespread feeling among Portuguese politicians weighing the implications of the unsuccessful coup on Feb. 23 in Spain.

A coup in Spain would indeed lead to an explosive political situation in Portugal, but seven years after the revolution the Portuguese military are far too disillusioned to storm the Lisbon parliament.

The Portuguese officers who lived through the revolution have been deeply humiliated. Whether of the left or right, they have seen their ideals trampled. "We did not command an army at that time. We had a bunch of clowns on our hands and were strangers within our own barracks," a major said. A colonel added: "Our commanding officer had a nervous breakdown and that is where I used to sit in the mess with a pistol by my side to cover the window.

The two officers were veterans of the African wars showing a group of Western officers around their regiment.

cording to the year season.

The turmoil in the Portuguese armed forces in 1974 and 1975 encouraged successful movements for military reforms in other NATO countries such as France, Italy and the Netherlands, but there is nothing to recall the revolutions in Portugal's barracks to-

day.

The Portuguese military were forced to do the dirty work of the old regime, fighting the African guerrilla movements in the colonies. After the revolution, they got involved in politics and bro the country to the brink of civil

If there is one thing that the officers are determined to do now, it is to restore Portugal's military credibility. They see this as the only way to make up for the loss of prestige they suffered both at home and abroad during the colonial wars and the revolution.

That - and the fact that, if Spain enters NATO, Portugal will lose a considerable part of its military leverage — is what is behind the present demands of Portuguese service chiefs that NATO give them new frigates, minesweepers, supersonic fighters, the latest tanks and modern air defense systems. A Communist officer, who tose

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to about 30,000 soldiers from 180,000 in 1974, but even that is too large, and the size of the officer corps - a relic of the war - is an obstacle to reform.

There are about 3,000 captains

and majors impatient for promotion, 800 lieutenant colonels and colonels, and 60 generals on the army's active list. To appease the junior ranks, the new army chief of staff has decreed that all officers holding army posts in spite of being officially in the reserve will have to give up these jobs by the end of the year.

Domestic Role

The return of the troops from Africa restored the domestic role of the military who have, on and off, determined the country's political course since the beginning of the 19th century. For this reason, the ruling Democratic Alliance's plans to change the constitution to put the armed forces under direct government control is very important. The government also wants new facilities to keep the military

For years, the Portuguese were so pleased to win any kind of international acdceptance that they did not complain about what NATO gave them in return for facilities. Now that the colonial wars are over, Portugal wants more than gifts of surplus equipment to compensate it for being, after Britain, the NATO country with the most

Soares Long On Tenacity

Special to the IHT

ISBON — Mario Soares came
in from the cold in 1974 at the head of a Socialist Party born only a year earlier and with none of the organization of the decadesold underground Communist Par-

By 1976, the Socialists had had their baptism of fire in the streets of Lisbon and other cities, and found themselves the winners in the parliamentary elections.

The outcome caught the party on the wrong foot. It had few paidup members but plenty of militants, its organization was haphazard and its ideas only hazily understood by the majority. Nevertheless, under the charismatic leadership of the 56-year-old Mr. Soares, the Socialists managed precariously to rule the country for two years. A series of crises turned them out of office and as Mr. Soares lost two successive general elections in 1979 and 1980, spurned by many former supporters, it appeared that his days on

the political scene were numbered. But his opponents underestimatnational prestige. A concerted effort failed to oust him at the party congress in May, and Mr. Soares has emerged as the undisputed

The comeback of Mario Soares will help consolidate Portugal's major opposition party and prepare it as a real power alternative. It will mean an easier passage for controversial revisions of the 1976 constitution that require Mr. Soares' backing in parliament this summer. It also means an end to any Communist hopes for a grand coalition of the left to defeat the conservatives — Mr. Soares is implacably opposed to the Moscowline Communists, who lobbied inensely for his defeat before the party congress. And it will almost certainly mean a Soares bid for the presidency in 1985.

April, 1974, by Gen. Antonio de Spinola and his militiary junta, the idea of benign colonization was in the ascendant. A Portuguesespeaking federation was proposed with the

By Jill Jolliffe

L ISBON — A glance at the Portuguese press, heavily politicized since the 1974

revolution, is enough to show that the Por-

tuguese remain deeply divided over the dra-

matic decolonization that accompanied the

Rightist newspapers contend that Portugal's withdrawal from Africa and its tiny Southeast Asian colony of East Timor was a

gross betrayal of local populations that led,

in Africa at least, to minority Marxist re-

gimes propped up by Cuban military sup-port. To the leftist press, Angola, Mozam-bique and Guinea-Bissau are prosperous na-tions whose social problems ended with in-

dependence.
Scholars continue to debate whether Por-

tuguese colonialism was "benign" — even though this concept, encouraged by the pre-revolutionary regime, appeared to have been

demolished years ago by the historian Charles Boxer, who demonstrated in his

book "Race Relations in the Portuguese Empire" that the idea that Portugal's colonies

were exceptionally free of racial and relig-

The sensitivity of the issue domestically is reflected in Portugal's relations with its former colonies and the variants of foreign poli-

Federation Proposed

When the dictatorship was overthrown in

ious discrimination was a myth.

cy it has practiced since 1974.

former colonies. Gen. Spinola was deposed by the leftist officers in September, 1974, and outright independence became the demand of the day. That month, Portugal recognized the independence of Guinea-Bissau. Mozambique's independence came in June, 1975, followed by the Cape Verde and Sao Tome and Principe islands in July and Angola in Novem-

After independence the tendency of the African states was to maintain a militantly anti-Portuguese attitude, although friendly links were maintained with Portuguese leftist leaders and with the Portuguese Communist

Party.

The intervening years have seen a thaw.

Portuguese leaders, including President Antonio Ramalho Eanes, have worked to improve relations with the African nations. These efforts met with some initial success in Angola, Cape Verde, Guinea-Bissau and Sao Tome and Principe, but were coolly received in Mozambique, which had a reputation for being more sternly anti-imperialist than the others.

Guinea-Bissau was the country most open to Portuguese overtures. It was in Bissau that, in 1978, Mr. Eanes met the late Angolan President Agostinho Neto and signed a trade and cooperation pact with him. When Mr. Eanes returned to Bissau eight months later he was feted by large crowds.

Rapprochement with Mozambique proved more difficult. The first ministerial-level Portuguese trade mission to Manuto visited in March, 1979, but cut short the talks and returned to Lisbon after the Mozambican govthorities, executed a Portuguese citizen

dropped to their lowest ebb since independ-

Portugal continued to administer the Cabora Bassa Dam in Mozambique after 1974, without serious problems, but there were other constant points of friction, such as outstanding claims for indemnity over property eized at independence.

The visit of Mozambique's Foreign Minister Joaquim Chissano to Lisbon last March was a turning point in relations. Mr. Chissano carried an invitation to President Eanes from President Samora Machel to visit Mozambique soon, and Mr. Eanes accepted.

Sign of Times

It was a sign of the political times, expressing the concern of the so-called Front-line African states that the United States would adopt interventionist policies in southern Africa. The minister's visit coincided with secret talks in Morocco between U.S. officials and Jonas Savimbi, leader of the Union for the Total Independence of Angola, or UNI-TA, which is fighting a guerrilla war against the Marxist Angolan government. Portuguese political leaders have publicily opposed U.S. military aid to UNITA, but

how much backbone the government policy will have depends on how effectively Premier Francisco Pinto Balsemao can appease UNI-TA supporters within government party

Portugal now has bilateral trade relations with all its former African colonies and is moving toward closer cooperation with them. Hundreds of Portuguese have returned to Africa since 1974 as aid workers, usually as teachers or economic advisers. A key point of government policy since 1979 has been eagerness to improve relations with "the countries of Portuguese expression," a phrase used frequently in foreign policy cir-

East Timor, 385 miles (620 kilometers) northwest of Australia, has been a tragic vic-tim of decolonization. When Portugal announced a program of phased withdrawal from the eastern part of the island of Timor in 1974 — the Netherlands governed the larger western section until 1946 — the news was greeted with alarm by the neighboring Indonesian government, which feared that a small independent state in its region could encourage the secessionist movements plagu-ing Jakarta.

Indonesia found an opportunity to intervene in a brief civil war that flared in August and September, 1975, leaving about 3,000 casulties and leading Portugal to withdraw. In December, 10 days after the liberation movement Fretilin declared independence, Indonesian troops invaded East Timor.

Refugees from the territory arrive regularly in Lisbon with claims that the Fretilin resistance is continuing, although on a reduced scale, despite Indonesian government disclaimers. They also describe atrocities by the occupation force. About 200,000 of the population of 650,000 are believed to have died from fighting, starvation and executions since 1975. The Indonesian occupation has been condemned in voting at the United Na-tions, which still regards Portugal as the administering power.

Lisbon took a rather passive position on the issue until last year, when the late conservative Premier Francisco Sa Cameiro put forward a peace plan for East Timor involvaccused of being a mercenary. Relations ing negotiations with Indonesia, and ap-

Decolonization: The Scars Remain pealed to the international community for

support.

The plan received strong backing from the United Nations and from Portugal's former African colonies, which support Fretilin. However, indonesia has refused to come to the conference table.

Plan Revived

The present government of Premier Pinto Balsemao has revived Mr. Sa Carneiro's plan, appealing to UN Secretary-General Kurt Waldheim to take new action. Mr. Waldheim visited Portugal in early May and discussed the Timor problem with Mr. Balsemao and President Eanes.

Macao, Portugal's tiny enclave in China officially designated "a Chinese territory under Portuguese adminstration" — has resisted all attempts to democratize its colonial status since the 1974 revolution. In this, the local population has been backed by China, which wished the territory to remain as one of its trading posts to the West.

In 1978 when the term of office of the former governor. Col. Garcia Leandro, ended, President Eanes proposed the nomination of a locally born governor instead of a Portuguese. Peking disapproved, the local population complained, and the idea was dropped Gen. Nuno Melo Egidio was appointed, and has since been succeeded by Cmdr. Vasco Almeida e Costa.

More recently, an attempt to alter the 1976 "Organic Law" that administers Macao caused a political storm.

Local Assembly

The local Legislative Assembly elected a four-man committee to propose changes to the law. It suggested a greater say by the community in running Macao, including a proposal that the 17-member assembly, set up after 1974, should be entirely elected; now six deputies are elected directly, six are elected indirectly and five are nominated by

the governor. China and Portugal established diplomatic china and Portugal established diptomance relations in March, 1979, and last year Gen. Melo Egidio visited Peking on the first official visit by a governor of Macao since the Portuguese trading establishment was settled in 1557. Deng Xiaoping, now the Chinese Communist Party vice chairman, congratulated the governor on the stability of Macao and stressed that China was opposed to alteration of the Organic Law. teration of the Organic Law.

in any case it was impossible to effect the proposals. Deputies boycotted the assembly over them and the outcry in Macao was quelled only by a statement of opposition to the proposed changes by Gen. Melo Egidio, backed by a message from Mr. Eanes.

The result is that the Macanese are a people between governments: They are politically loyal to Peking but are not governed by it, and they are almost untouched by the Portuguese administration.

Ninety-seven percent of the estimated 400,000 population do not speak Portuguese. Schools are run by the Chinese community, outside the effective control of the Portuguese administration. Nor do most Ma-canese participate in political life. Only 9,724 persons (about the number of resident Portuguese eligible) registered to vote in the last Portuguese elections, and 4,194 for the Leg-

islative Assembly.

The only political institutions in which Macao's Chinese participate are grass-roots tenants' committees and workers' associa-

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Balsemao: Development a Counterweight thermore, the Council of the Revo-lution is the legislative organ of the armed forces. And also, of course, the Council of the Revolution is (Continued from Page 11S) That's why we have been independent since the 12th century. "Being different countries, we ical power itself has to be changed, not elected. cause the government is the execu-This leads me to a third point, tive organ, and therefore the needs of the armed forces can only be

especially in regard to the existence of the Council of the Revolution as an organ of sovereignty. The council has powers, on the one hand, as a constitutional court, but it is more than a court. It can veto laws proposed by the government and passed by the parliament, de-

claring them unconstitutional, not only for juridical reasons but also, if the council's members desire, merely for political reasons. Fur-

which I think is important. It has to do with the subordination of the armed forces to the democratic, elected civilian power

"I think the armed forces understand very clearly that in a normal Western-type democracy what we want to build - the

met, and the possibilty of accom-plishing a mission within NATO can only be realized, if the government deals with such matters and only if the armed forces act in very close cooperation with, and are integrated into, the government Mr. Balsemao, who had recently

met with Spanish Premier Leopol-do Calvo Sotelo, said he did not believe that unrest among Spanish military men could stimulate similar ambitions of power among Por-tugal's armed forces. "I think that, if the attempted coup of the 23rd of February had been successful in Spain, there would have been no relevant effect on Portugal. First of all, we have a completely different country, and history shows it.

have undergone separate evolutions throughout our histories. During recent years also, the evo-lution in Spain was different from the revolution in Portugal, and our armed forces therefore do not have

the same characteristics. I don't believe there will be any tempta-tion in Portugal, as far as the armed forces are concerned, to follow the example.
"We could have some indirect effects, however. It's a very open border. Spain is on our way to Europe, geographically speaking, and this could have caused some prob-

lems. But happily the coup was aborted, and happily Spain is living in democracy, and we are very glad about that, not only because we like our neighbors and good friends in Spain to live in democracy but also because some of the problems that could have emerged for us did not emerge."



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Page 15 Wednesday, June 3, 1981 *S

Burmah Sues Bank of England for £1 Billion

LONDON — A British o'l company Tuesday claimed compensation of fil billion from the Bank of England in one of the biggest commercial actions ever mounted in the London high court.

Burmah Oil, which was rescued by the bank after it ran into financial difficulties in 1974, says the bank took unfair advantage of it. The bank had bought Burmah's 20.1 percent shareholding in British Petroleum, then worth £179 million, for a low price, and the shares then rose spec-

tacularly in value, Burman fold the court.

Burman seeks to recover the current value of the BP shares.

U.S. Auto Production Rises 26% in May

The Associated Press

DETROIT — U.S. domestic auto production in May was up 26 percent from the same month last year, and an industry trade journal pre-dicts an even bigger increase for June.

According to company reports Monday, U.S. automakers built 712,783 cars in May, compared with 565,758 in May 1980.

Meanwhile, Ward's Automotive Reports said the major car companies plan to build 713,000 cars in June a 34-percent increase from June last

year, when the industry was near the low point of the current recession, and the highest monthly total in 20 months. De Beers Zaire Contract Not Renewed

LONDON - The contract und T which De Beers Consolidated Mines Ltd's Central Sciling Organization marketed Zaire diamonds, which expired May 31, has not been renewed, a De Beers spokesman said Tues-

Negotiations to renew the contract were held recently between the CSO and Sozacom, Zaire's state mining and metal marketing agency, but have been discontinued, he said.

Boeing to Reduce Production of 747s, 727s United Press Internationa

SEATTLE - Boeing is cutting back production of two of its historically best-selling jetliners this year and next because of falling demand for aircraft that are not fuel-efficient, shareholders were told.

Chairman T.A. Wilson said at the annual meeting Monday that production of the 747 jumbo jet and the 727 will be reduced about 30 percent this year. He said that probably would mean a significant reduction in carnings for the giant aerospace firm, which has been reporting record profits and sales in recent years.

New Well Is Confirmed Off Northwest Japan

TOKYO - New Japan Sea Exploration said Tuesday it has confirmed that its third test well off Aga, in northwestern Japan, will have a maximum production capacity of 5,400 barrels of crude oil and 90,000 cubic meters (3.2 million cubic feet) of natural gas a day.

The company, a subsidiary of Idemitsu Petroleum Development, recently struck oil at the test drilling well in the Aga area. A decision on commercial production depends on the drilling of a fourth well scheduled for November, it said.

Rates to Follow Inflation Down, Says Weidenbaum

By Axel Krause al Herald Tribune

PARIS — High U.S. interest rates will only begin to decline when the Reagan administration brings inflation under control, Murray L. Weidenbaum, chairman of the U.S. Council of Economic Advisers, said Tuesday evening. Addressing a gathering of French business, banking and government officials in Paris — and partly answering recent, blunt warnings from European leaders about the high rates, Mr. Weidenbaum said that "it should be clearly understood that the United States is consciously following a economic policie to lower interest ... lower interest rates will

follow from lower inflation rates." The U.S. official also indicated that interest rate policy was not a subject for negotiation at an international meeting of policy-makers, such as the seven-nation summit meeting scheduled for Ottawa in July — a suggestion regularly men-tioned in conversations by European government banking and mon-

tary officials. Mr. Weidenbaum said that the administration welcomed opportunities to discuss the issue, stressing in his talk that "we are sensitive to your concerns regarding high in-terest rates in the United States and their implications for exchange rates." However, he apparently ruled out any form of negotiation with the Europeans or

changing the U.S. policy.

Referring to policy under previous Democratic administrations, the U.S. official said that "our program is designed to avoid the rors of the past - misgnided ef-forts to lower interest rates temporarily by pursuing an expansionary monetary policy which then only led to increased inflationary pressures and ultimately higher interest

Those attending the gathering, sponsored by the French Institute of International Relations, a non-

China Investment Policy

PEKING - China will continue its open-door policy and encour-age foreign investment during the current phase of economic belttightening. Deputy Premier Gu Mu said. In an interview with the new English-language China Daily, Mr. Gu said the retrenchment measures are showing better results than expected.

profit research organization, were skeptical about the possibilities of finding a common meeting ground with the U.S. approach, particularly over interest rates and which one banker described as "a dia-

logue of the deaf." Commenting on the virtually non-existant prospects of some form of transatlantic negotiation, Thierry de Montbrial, director of the institute, told Mr. Weidenbaum that "you appear to be saying that what is good for the United States is good for the world."

W. German **BUSINESS NEWS BRIEFS Trade Shifts** Into Surplus

Manufacturers Post Rise in Production

From Agency Dispatcher
WIESBADEN — West Germany's trade balance swing sharply into the black in April with a 3.3-billion Desirable parks are translated. billion Deutsche mark surplus fol-lowing a 135-million DM deficit in March, the Federal Statistics Off-

ice reported Tuesday.

The surging trade surplus in turn helped slash the provisional April deficit in the current account, which covers trade as well as "invisibles" such as tomism. It narrowed provisionally to 400 million DM from a March deficit of 2.7 billion DM, the office said. The current account had a 2.2

billion DM shortfall in April,

In Bonn, the Economics Ministry reported that the seasonally-adjusted production of the country's manufacturing industries rose I percent in April from March after falling 3.5 percent in March from

However, the ministry said in-dustrial output, a better indicator of the overall trend of production, was unchanged in the March-April period from January-February, but percent down from the year-earlier two-mouth period.

With exports in the first four months surpassing imports by 124.8 billion DM to 121.7 billion DM, the current account deficit so far in 1981 has been held to 9.4 billion DM. Services and supplementary trade items have recorded a 4.7 billion DM deficit and transfers were in the red by 7.8 billion DM, the statistics office said.

Commercial bank economists said there were grounds for cautious optimism on trade even though not all the signs were enсоогадіпа.

Despite the fact that April's trade balance was triple the 1.10 billion DM surplus recorded in April, 1980, they said the 10.7-percent drop in April imports to 30.27 billion DM had been due in large part to lower oil imports and that a stronger U.S. dollar could cut into May and June trade results by raising the country's oil bill.

The stronger dollar could also increase tourist spending abroad during the summer and thus widen the current-account deficit.

As well there has been speculation in the press about alleged difficulties in raising new credits from Saudi Arabia. Finance Minister Hans Matthoefer said Tuesday in Bonn that Saudi Arabia has informed West Germany that it is

Reagan Winning Over Europe

Wall Street Prices Fall; Trading Active

others were rising at the same time.

charge one another for overnight

loans soared Monday and tempo-

rarily dashed investor hopes that

interest rates have peaked. Some

At the same time, several major

banks have lowered the prime

lending rate they charge top corpo-rate customers a half point to 20

percent. Bank of America and Citi-

bank, the two largest U.S. banks.

the Federal Reserve's report last

Friday that the U.S. money supply

dropped \$1.2 billion. That was the

second consecutive money decline

and indicated the Fed may not

have to restrain credit as much in

the future as in the past year or so.

with interest the battle between

President Reagan and Democrats

regarding his proposed three-year,

ing to accept a slimmed-down tax

cut of 25 percent spread over three

years. Many expect a resolution of

The president apparently is will-

30-dercent tax cut.

the issue soon.

Investors also were watching

The prime cut was sparked by

cut their rate early in the day.

experts said the rise was a fluke.

The federal funds rates banks

By Hobart Rowen Washington Post Service

LAUSANNE, Switzerland - President Reagan has won the grudging admiration and applause of the European financial community for the revival of the U.S. economy - and the American spirit. But his audience here gives him a negative score so far on international economics.

The plus-marks on the domestic side are accorded Mr. Reagan despite rising U.S. interest rates in the United States that have pushed the dollar so high that even the Deutsche mark and

Swiss franc have been humbled.

In interviews with key Swiss bankers, there was a striking unanimity of opinion favorable to Reagan's domestic program, and a belief that he is successfully restoring U.S. power in the world.
"The strong dollar reflects a new wave of confidence in the American economy," said Franz Luolf of the Swiss Bank Corp.

"Reagan was underrated in Europe, and underrated by me as well," Fritz Leutwiler, the head of the Swiss National Bank, said in an interview in

What has impressed the bankers is the way Mr. Reagan assigned his top priority to economic re-covery, jammed through unprecedented budget reductions, and arrived early at a point where he can get most of his tax cut through — or delay it if he decides the economy needs less stimulation, Mr. Leutwiler guessed that the rate of U.S. in-

flation will drop to eight percent or even seven by the end of the year." pulling interest rates down significantly.

Mostly, the bankers shake their heads in a mix-

NEW YORK - Worries about

the interest rate outlook pushed

prices on the the New York Stock

Exchange lower Tuesday, with the

decline accelerating towards the

close of trading amid questions

The Dow Jones industrial aver-

age fell 10.48 points to close at 987.48. The index gained 6.21

points Monday after being up nearly 12 points to 1.003 at mid-

Declines outpaced advances

more than two to one as volume

narrowed to 53.93 million shares

from 62.17 million Monday. The higher volumes lately indicate in-

stitutions are becoming more ac-

ing of American Stock Exchange

cally has encountered profit-taking

problems when the Dow industrial

average gets to the 1,000 level.

Some investors have automatic

The market's problems were

Financing and pre-financing for non-traditional exports will be im-

proved, he said, and excessive spending on tourism and other for-

eign services will be checked, thus

helping to improve the current ac-

Mr. Sigaut said the new mea-

sures should lead to a surplus in

the trade balance, which has been

in deficit this year, as earnings from both traditional and non-

traditional exports will rise while

from more than \$10 billion at the

beginning of 1980 to less than \$4

6 Unions End Strike

In Chile; 2 Continue

Reuters
RANCAGUA, Chile — Six min-

ers unions have agreed to end a 41-day strike at the state-owned El

Teniente copper mine, a union of-

ficial said Tuesday. He said 8,200 union members

will receive a 2-percent pay rise af-ter inflation, and a \$450 bonus.

Two unions at the adjacent Cale-

tones refinery remained on strike.

Foreign reserves have declined

count in the rest of 1981.

imports will fall.

billion last month.

selling programs at that barrier.

Prices were lower in active trad-

Analysts said the market histori-

about whether a substantial down-

turn in interest rates is imminent.

ture of disbelief and bewilderment at the first quarter real-growth of 8.4 percent at an annual rate in the United States, accompanied by a fall in inflation — despite 20 percent interest rates. Where Europeans find Reaganomics the weak-est is in its foreign policy aspect. This is not so much a reaction to high U.S. interest rates, but a concern over the almost isolationist tone of U.S.

international economic policy under Mr. Reagan. All over Europe there is concern, for example, over under secretary of Treasury Beryl Sprinkel's enunciation of a hands-off policy on U.S. intervention in foreign exchange markets, except in crises, or to stabilize "disorderly" markets.

Storm Calming

"We felt it was completely unnecessary to say it," Mr. Leutwiler said, "especially at a time when the central banks of the United States, West Germany, Switzerland, and Japan declared their cooperation had improved."

Actually, that storm is calming down. Assurances have since been received from the Reagan administration that it is just as anxious as European governments to coordinate policy.

What will be more difficult to shake, the bankers feel, is the president's Boy Scout-like faith in the ability of the private sector to play a more prominent role in financing Third World aid and investment. Throughout Western Europe, there is fear that ideology on this score is getting in the way of practical good sense.,

Most West European financial men are as dedicated as Mr. Reagan to a market-oriented system. But they also see the world going through a painful adjustment period, with huge debts to be financed. They anticipate that with some additional experience, the Reagan administration will become more sophisticated in international affairs. At least, they hope so. "The danger." Lord Harold Lever, long-time confidant of past British governments, said in London "is that [otherwise] the

The Commerce Department re-

April to a seasonally adjusted

On the trading floor, weakness

in the oils was a major factor in the

overall market decline. Volume leader Kennecott

climbed 11/2 to 611/2 after the Fed-

eral Trade Commission said it

would not challenge the proposed merger of Kennecott and Standard

Oil of Ohio. Sohio lost 1% to 43%.

to 59%. The stock scored well

Monday after the company asked the Justice Department for talks to

resolve a 12-year-old antitrust suit.
American Telephone & Tele-

graph, which dropped 1% points

Monday, lost another & to close

at 56%. The company has announced plans to sell 15 million

new shares this month.

IBM was active but declined 4

percent in March.

a major factor contributing to the dollar's strength, dealers said deficit burden will fall on the weakest ones."

ported, meanwhile, that sales of new U.S. single family homes declined 13.5 percent in April to a seasonally adjusted annual rate of 441,000 after an increase of 1.4 The department also said new orders received by manufacturers fell \$1.37 billion, or 0.8 percent, in ket conditions.

likely to be reversed later in the week, the rise it caused in the Fed funds rate was enough to push other short-term U.S. interest rates

decline in interest rates to begin Monday, largely because the Fed reported Friday that the U.S. mon-ey supply had declined in the latest reporting week. That was viewed as an indicator that the Fed had money supply growth under control as a defense against inflation and would not further tighten credit.

The dollar's biggest jump was in

Dollar Hits New High Against Franc, Lira Milan where it surged 16.25 line to a new high of 1,174.75 lire.

In Paris, it jumped rose from

5.5435 Monday to its highest level

ever of 5.6265 francs at the fixing

The dollar's strength helped to drive down the Bourse indicator 1.9 percent. The selling spree con-

tinued the run on stocks that hit

the exchange Monday after the

publication of opinion polls indi-cating that the leftist parties will

win a majority in the French legis-

The dollar closed in Frankfurt

at 2.3640 DM, up from 2.3285

Monday. Foreign exchange dealers

said interest rate considerations

were eclipsed by persisting concern

in the market over the future of the

In London, the pound lost more than I cent to fall below \$2.05 for

the first time since May 22, 1979.

The pound fell to \$2,0405, down from Monday's \$2,0587.

In New York, the dollar opened

very firm from Monday's close of

2.3495, rising above 2.37 DM at midsession before easing slightly, dealers said. They attributed the

drop to profit-taking and evening

Short-term interest rates in the

United States traded erratically

but with a generally firmer tone Tuesday, dealers said.

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out of positions.

lative elections later this month.

LONDON - The U.S. dollar, bolstered by signs that the muchheralded drop in U.S. interest rates will be slow in coming, surged Tuesday to record highs against foreign currencies in Paris and Milan. Gold fell \$10 an ounce in Zurich to \$473.50 a troy ounce and

\$5.50 in London to \$476.
The dollar also reached a fouryear high against the Deutsche mark and the Swiss franc and a two-year high in relation to the British pound.

But traders described the volume of trading as low. Dealers attribute the dollar's

strength to U.S. interest rates remaining at high levels, although most major U.S. banks lowered their prime lending rates Tuesday from 201/2 percent to 20 percent. Continued concern about political stability in Europe offered the backdrop for dollar support.

Trend 'Upwards'

"The general trend for the dollar is still upwards," said a foreign ex-change dealer in Zurich. The federal funds rate, which opened at 191/2 percent and rose to 20 percent before falling back, was

Tuesday. The rate jumped to 20 percent from around 18 percent Monday after unexpected attempts by the

Treasury to alleviate a temporary cash shortage by draining reserves from the banking system. Dealers said they believed the Fed had never drained reserves

with the funds rate at such a high level, although they said the Fed's operation was widely viewed as a move to offset seasonal factors and not as a bid to tighten money mar-Although this technical drain is

Analysis had expected a general The day began with the dollar's

rise of more than 1.5 yen in Tokyo to 223.20 yen, compared with Monday's 221.65.

International Diamond Sales Head office: 50-52, Hoveniersstraat 2000 Antwerp, Belgium Tel. 031-31 77 64, Telex 05095 indisa-b LONDON: Inn on the Park Hamilton Place - Park Lane London W1 - Tel. 01-409 1844

compounded part of the day by prepared to consider taking up furthe investment community's conther West German promissory fusion over the fact that some interest rates were declining while

Agricultural exporters, who ac-count for three fourths of what Ar-

gentina sells abroad, were priced out of many markets. Jorge Agua-

do, minister of agriculture and

livestock, said recently the over-valued peso cost farmers and

ranchers more than \$10 billion

Prior to Mr. Sigaut's announce-

ment, an economy ministry spokesman said the president and

vice present of the Argentine cen-

the National Development Bank, was appointed central bank presi-

dent, replacing Julio Gomez, and Manuel Gonzalez Abad, a director

of the development bank and dean

of economic sciences at the Argen-

tine Catholic university, was named vice president, replacing

Credit Guarantees

Mr. Sigaut said the government will guarantee an exchange rate for

credits taken out by the private sector for longer than 18 months and that companies with foreign

debt contracted between Jan.

and May 29 will be given special

consideration and suitable mea-

sures would be announced.

Egidio Ianella, the president of

over the past two years.

tral bank had resigned

Martin Lagos.

Argentina Slashes Value of Peso 30% From Agency Dispatches
BUENOS AIRES — Argentina devalued the peso by 30 percent Tuesday in a bid to stop a run on foreign exchange reserves that forced the central bank to spend more than \$300 million on Friday

in a nationally broadcast announcement Monday night, Economy Minister Lorenzo Sigant also the peso will be devalued a further 6 percent during June and thereafter the real parity of the peso will be maintained. Financial sources said they interpret this as saning the peso will be devalued

to offset inflation. The run on reserves was spurred by a warning published in a newspaper that an economic collapse was imminent without drastic measures, The "high level source" cited by the newspaper, was Trade Min-ister Carlos Garcia Martinez, who suggested another large devalua-tion was necessary.

The devaluation - which follows ones of 10 percent in February and 28 percent in April, as well as smaller monthly devaluations — is another step by the two-monthold military government of President Roberto E. Viola away from the previous government's infla-tion-lighting strategy.

Peso Overvalued

The previous government relied on an artificially overvalued peso to bring the inflation rate down from more than 500 percent in 1976 to about 80 percent last year. The strategy, combined with a tearing down of tariffs that for decades had protected local industry, caused of hundreds of companies to fold since they were unable to compete with a flood of imports and squeezed by interest rates that topped 150 percent annually.

Oil and Money Conference.

London, Sept. 28-29.

The second annual International Herald Tribune/Oil Daily conference on "Oil and Money in the Eighties," will take place September 28 and 29 in London:

Sheikh Ahmed Zaki Yamani. Minister of Petroleum and Mineral Resources, Saudi Arabia, will head a list of distinguished speakers from industry and government around the world. Among the subjects to be discussed will be the supply-demand outlook, financing oil production, the impact of politics on future oil policies, alternative energy resources and related issues.

For further information, please contact the International Herald Tribune, Conference Dept., 181 Avenue Charles-de-Gaulle, 92521 Neuilly Cedex, France. Telephone: 747-12-65. Telex: 612832.

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Annual General Meeting of April 29, 1981

At the Annual General Meeting on April 29, 1981 chaired by Chairman François Giscard d'Estaing with the assistance of Honorary Chairman Georges Assemat and General Manager Albert Bouvier, the shareholders of BFCE heard the Chairman's letter and the Board's and Auditor's reports, and approved the 1980 balance sheet and income statement and the appropriation of

the year's results. The bank's total assets "France and Abroad" at December 31, 1980 stood at 159.7 billion francs, 14.1% higher than the figure of 140 billion a year earlier. The increase is attributable to: a 17.1% rise in banking uses and customer credits to a total of 40.1 billion francs, divided roughly

evenly between francs and other currencies as compared with a 60%/40% breakdown in 1979. This trend is due to expansion, particularly abroad, of "foreign currency" operations, financed in part out of the proceeds of a third floating-rate bond issue of US\$40 million, while "franc" operations were still subject to credit restrictions which were relaxed early in the year by a 100,000,000-franc new share issue and

300,000,000 francs of bond issues. a 13% increase in short, medium and long term export financing requiring BFCE's intervention.

The aggregate exceeded 106 billion francs and accounts for 66.4% of the total assets. Including memorandum items, the increase was 7.3% in short term, 18.9% in medium term and 16.2% in long term.

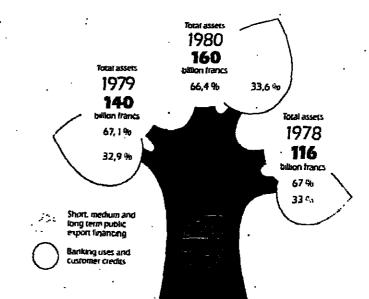
The income statement reflected a gross banking profit of 1,106 million francs, after 828.1 the year before, most of the 33.6% advance deriving from the combination of an appreciable enhancement of working capital and customer deposits and an improvement in reinvestment conditions in the latter half of the year, as well as from the high volume of letter of credit and guaranty business. After the customary appropriations, including 10,200,000 F to the employee profit-sharing, 40,000,000 F for corporate income taxes and a substantially larger transfer to provisions for credit risks, the net profit was 60,400,000 francs, a 32% increment roughly corresponding to the gross banking profit increase.

At the same 7 1/2% rate on a larger capital, the dividend is up from 15 to 22 1/2 million francs, and 19,500,000 F were appropriated to reserves as against 13,700,000 in 1979.

BFCE now has shareholders' equity and long term resources totalling nearly 1.8 billion francs.



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Per U.S.S Currency
0.4633 Singurers S
0.9524 S. African rand
0.0015 S. Korean wad
0.007 Spanish peseka Per U.S.S CUITERCY Euriv. U.S. U.S. 10.57
1.0045 Japanese ven 223.875
1.5777 Kuwalii dinor 0.2795
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CURRENCY RATES

Interbank exchange rates for June 2, 1981, excluding bank service charges.

NYSE Nationwide Trading Closing Prices June 2 Tables include the nationwide prices up to the closing on Wall Street.

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To our readers

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would have to sell a stock or bond.

NEW YORK (Reuters) - The

U.S. Treasury and regulatory bod-

ies are together considering meth-

ods to help troubled savings and

loan associations by bolstering

their net worth, a Treasury official

Roger Mehle, deputy Treasury secretary for domestic finance,

told a news conference that pro-

viding the savings institutions with

letters of credit to boost their net

worth would be "a proper ap-

Japan Fails To Budge on **EEC Trade**

BRUSSELS - The European Economic Community's top trade negotiator said Tuesday that talks on trade restraint with Japanese officials here had amounted to "pretty much hear zero." and he urged the 10 EEC countries to take new action to pressure Japan to moderate exports.

Sir Roy Denman, the EEC external affairs director, told a news conference that talks Monday and Tuesday with Japan's deputy for-eign minister, Kiyaoki Kikuchi, re-sulted in virtually "no progress." The commission had been hop-

ing for moves from Japan both to restrain a flood of exports to Enrope and to open the Japanese

market to more Enropean goods.

The next step, Sir Roy said, would be to ask EEC foreign ministers at a meeting June 23 to decide on new action. The foreign ministers asked Japan in February to voluntarily cut exports of cars, television sets and other goods to

We've seen no figures yet that demonstrate in any of these sectors the moderation the council had expected," Sir Roy said. "We're very disappointed with the results," he added.

Cars to Cookies

Sir Roy ticked off a list of about 15 commodities ranging from cars to cookies, over which the EEC is seeking either a moderation of exports or relaxation of tariffs to allow European goods to compete in Japan. After nearly every item he added the words, "No progress."
Further talks will be held here June 17 with Rokusuke Tanaka.

Japan's trade minister. Sir Roy quoted recently released statistics, mostly from Japanese sources, to support his assertion the trade deficit is "not only alarmingly large but rapidly in-

He said the EEC deficit with Japan, up 57 percent last year to \$11. billion, has jumped by 45 percent in the first four months of this year over a corresponding 1980 period. Japanese auto exports to the

Common Market are running 20

percent higher than in 1980, according to the Japanese statistics. Sir Roy said the Japanese had repeated their rejection of any general restraint agreement on car exports to the European community as long as individual EEC states kept national import curbs in place. Italy, France and Britain already apply quota restrictions.

COMPANY REPORTS

Revenue and profits, in millions, are in local currencies unless atherwise indicated.

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Year	T 980	1979
Revenue 7	327,590.0	335,110.0
Profits		2,040.0
	1980	1979

United States

New Camera Prompts Review of Polaroid

By Gene G. Marcial

AP-Dou Jones NEW YORK - With Polaroid attempting to focus attention on its new electronic cam-era and high-speed film, Wall Street is trying to get a clearer picture of the company.

Several Polaroid followers have expressed bullish opinions on the stock for this year and next, in part because of the new camera and film introduced last week, called the 600 system. There are disbelievers, however, and at least one analyst reinstated his sell recommendation on Polaroid on Friday.

Richard Smoon, an analyst at Goldman, Sachs & Co., withdrew a sell recommendation a few days before the unveiling of the new camera and film last Wednesday, but reinstated his sell opinion Friday, after evaluating the system.

One of his concerns is the reaction of the consumer, which he expects will not be very enthusiastic. "The new camera gives the con-sumer tremendous value for his dollar, but he won't ... appreciate some of the refine-ments," Mr. Simon said.

The system uses an integrated electronic flash and film with a speed rating of 600 ASA, the fastest, most light-sensitive color print film on the market.

"It's awfully hard to call the earnings on the stock," Mr. Simon added, "and the risk

Several Polaroid watchers disagree, however. "I'm impressed by the system, although it may take some time to explain the value and appeal of the system to consumers," said Peter J. Enderlin, of Smith Barney, Harris Upham & Co., who believes the stock "fundamentally is a good buy."

Engene G. Glazier, vice president at Dean Witter Reynolds, is convinced the new product will help Polaroid in arresting a decline in unit volume. He concedes that the new system's advantages will not be apparent immediately to the average consumer.

There will be a particular need for an advertising campaign by Polaroid to communi-cate the system's unusual features, analysts

They expect the new camera and film will begin to help earnings by the fourth quarter of this year or the first quarter of next year.

The new product, in combination with a better economy and improved consumerspending environment, will give a very strong impetus to Polaroid earnings next year," said Mr. Glazier, who figures the company will boost per-share earnings to \$2.70 this year and \$3.85 next year, from last year's

Mr. Glazier particularly emphasizes Po-

is greater in being in the stock than in being laroid's efforts at bringing costs "under very out of it and missing the move."

Ty Govatos, vice president at Bache Halsey Stuart Shields, reiterated his purchase recommendation on the stock, asserting that the "new system substantially enhances Po-laroid's longer-term outlook." But he advises against buying the stock solely because of the new camera and film.

Tom Henwood, vice president at First Boston, said he does not think Polaroid earnings will be "within my initial expectations," largely because of the strength of the dollar against European currencies. He noted that 70 percent of Polaroid carnings are generated outside the United States.

Brenda Lee Landry, analyst at Morgan Stanley & Co., expects Polaroid to post flat earnings this year and estimates it will earn between \$3.50 and \$4 next year. She also is impressed by the new 600 system, and recommends Polaroid as a long-term buy.

A problem Polaroid may face, analysts say, is the possibility that Eastman Kodak may come out next year with a new line to compete with Polaroid's new products. Ms. Landry expects Kodak's earnings to leap to between \$8.15 and \$8.40 a share this year, and to the \$9.50-\$10 range in 1982, from 1980's adjusted \$7.15.

Hudson's Bay's Huge Holdings Behind Dome Interest

New York Times Service

TORONTO — In 1869 the Hudson's Bay Co., founded in England in 1670 as a fur trading concern completed as oil or gas wells," according to G.J. Maier, the company's chairman. "We more than rebased in Canada, was granted by Queen Victoria one-twentieth of all lands surveyed for 50 years in placed the volumes of petroleum the area north of the United liquids that we produced, so that States, east of the Rockies and our reserves increased by over a west of Lake Winnipeg.

our reserves increased by over a million barrels," he said, adding west of Lake Winnipeg.

That grant subsequently provided a vast endowment for the Hudexceeded production by more than son's Bay Oil and Gas Co., which 50 percent. was set up in 1926 as a joint venture between the parent trading

8.9 million acres in foreign areas. It is also the second-largest natural gas producer in Canada, with the highest gas reserves per acre.

It is this legacy of land and the potential energy wealth trapped beneath it that made Hudson's Bay Oil, now controlled by Conoco, attractive to Dome Petroleum of Calgary, Alta. Monday, Conoco agreed to accept \$1.68 billion from Dome for its 52.9 percent interest in Hudson's Bay Oil.

Development Potential

Under that agreement, Dome will pay Conoco \$245 million in cash and 22 million shares of Conoco stock that it bought last week for \$1.43 billion.

As a recent research report by Richardson Securities of Canada said: "Hudson's Bay Oil has one of the largest inventories of unde-veloped land in western Canada . This is thought to provide substantial exploration and development potential for the company."

Analysts say Canada's nationalistic policies on energy develop-ment combined with Dome's tax situation make Hudson's Bay Oil potentially more profitable under Dome's control than under Cono-

Paul Ziff, an oil analyst in Cal-gary for Greenshields, a brokerage firm, said that Hudson's Bay Oil has a high concentration of land in Alberta, and Dome has consistently sought out land-rich compa-

Land Position

The Richardson report describes Hudson's Bay Oil's 5.7 million acres in western Canada as "one of the largest land positions in the in-dustry." The report went on, "It is nicely complemented by a further 7.9 million net acres in Canada's frontier areas [the East Coast, the Northwest Territories and the Arctic Islands] and by an addition.
1440.
8.9 million net acres in various for eign areas, including Indonesia. tic Islands) and by an additional 8.9 million net acres in various for-

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Bowling, Sales & Marketing Randy Edgemon, President

Diversified Fuels, Inc.

nine other countries, where it drilled 51 wells last year; of the successful ones, 37 were oil wells and two were gas wells, with a success ratio similar to that of their Canadian operations, Mr. Maier

> "Indonesia is still our most successful area of operations, and encouraging discoveries were made there last year." Mr. Maier said Hudson's Bay Oil, with assets of

company and Continental Oil, U.S. Trade Unit Urges End Hudson's Bay Oil now comtrols To Quota on Shoe Imports 13.6 million acres in Canada and To Quota on Shoe Imports

By Clyde H. Farnsworth New York Times Service

WASHINGTON - An interagency trade advisory group has recommended to President Reagan that he terminate quotas on shoe imports from Taiwan and South Korea, which account for 50 percent of the footwear shipments to the United States, an administration official said Monday. The staff of the Treasury, State,

Labor and Commerce Departments, the Council of Economic Advisers, the Office of Management and Budget and the U.S. trade representative came to a consensus that the quotas be eliminated as a signal of the administration's commitment to free trade. The case comes before the president following some criticism from

ministration bowed to protectionist forces in pressing Japan recently to restrain exports of autos to the United States during the next

Administration officials said the sufficiently competitive.

departments and agencies usually take conflicting positions on trade The domestic industry has been

lobbying Congress and the White House in efforts to convince Mr. Reagan to maintain the quotas on imports from both countries for another three years. If they are not renewed by the

president, the quotas would be dis-mantled at the end of this month. The International Trade Commission, a government fact-finding body for trade cases, ruled April 9 that termination of the quotas on Taiwan before June 30, 1983,

would have an adverse impact on

the domestic industry. But it decided 3 to 1 that lifting the quotas on imports from South Korea would not be damaging beliberal trade advocates that the adcause the segment of the domestic industry that makes the types of footwear South Korea ships mainly athletic shoes - is already

The First Boston Corporation

Merrill Lynch White Weld Capital Markets Group

Bear, Stearns & Co.

Donaldson, Lufkin & Jenrette

L. F. Rothschild, Unterberg, Towbin

Kidder, Peabody & Co.

(\$997 million U.S.) as of Dec. 31, 1980, reported net profits last year of \$145.4 million, or \$1.92 a share, up 10.2 percent from \$131.9 million, or \$1.74, in 1979. Revenues rose 25.1 percent, to \$604.7 million from \$483.2 million.

In the first quarter of 1981, net earnings declined 43.2 percent, to \$21.6 million, on a 21.2 percent increase in revenues, to \$173.5 milion from \$143.2 million. Mr. Maier attributed the earnings decline to new and higher federal en-

R.F. Haskayne, the company's president, said a year ago that the company expected to invest up-ward of \$7 billion in the next dec-

But the announcement of Canada's National Energy Program last October disrupted those plans. As a result, the company's revised budget for 1981 provides \$203 million for petroleum exploration and development in Canada, down from \$378 million, and \$18 million for the oil sands program, down from \$53 million.

The National Energy Program has as a primary aim the doubling of domestic ownership by 1990 to least 50 percent in an industry dominated by foreign-owned companies. Under Conoco's control, Hudson's Bay Oil does not qualify for any incentive grants.

But William Magee, vice president of Nesbitt Thomson Bongard, a charter investment dealer, calculated that, under Dome's control, Hudson's Bay Oil "would qualify for maximum federal exploration incentives" of 80 cents for every \$1

All of these securities having been sold, this announcement appears solely for purposes of information.

2,100,000

Wendy's International, Inc.

Common Shares

Of the Common Shares offered, 2,000,000 are being sold by the Company and 100,000 are being sold by a shareholder.

Blyth Eastman Paine Webber

Lazard Frères & Co.

Goldman, Sachs & Co.

Salomon Brothers

Warburg Paribas Becker Wertheim & Co., Inc. Dean Witter Reynolds Inc. Montgomery Securities

New Court Securities Corporation

Major Banks Offer Money Market Notes

By James L. Rowe Jr. Washington Post Service

NEW YORK -- Two more major banks Monday took direct aim at money-market mutual funds and announced that they would offer \$100 million of so-called money-market notes in minimum, consumer-sized denominations of

Chase Manhattan Corp. and Continental Illinois Corp., the par-ent companies of the big New York and Chicago banks, said the seven-year notes would have their interest rates adjusted every Wednesday in line with the rate paid on one-month commercial paper. The notes would yield about 17.15 percent, based on the weekly report of commercial paper rates released by the Federal Reserve. Although the interest is adjusted

weekly, it will be paid monthly. In Geneva, meanwhile, Federal Reserve Board chairman Paul A. Volcker said that the variety of new investments being created by investment firms and banks need to be reviewed to see whether they should be "brought under con-

trois."
The Reagan administration says it opposes any controls on money-market mutual funds, high-yielding investments which bankers claim have drawn off billions of dollars of their deposits. Banks cannot run money-market funds. But the new notes are aimed at competing with the money-market funds for consumer dollars, according to Frederick Pape, manag-ing director of Merrill Lynch, Pi-erce, Fenner & Smith.

Merrill Lynch, which runs the biggest money-market mutual fund, is the lead underwriter for Chase and Continental, as well as Manufacturers Hanover Corp., parent of the nation's fourth-biggest bank, which pioneered the seven-year money-market notes last week.

Connolly, senior vice president for finance at Manufacturers, said the notes compete with all money-market instruments.

1 Billion Acres To Open in U.S.

OKLAHOMA CITY - One bil tion acres of federal land will be opened for petroleum development during the next five years, Energy Secretary James B. Edwards has

He said Monday that figure compared with only 40 million acres of federal land developed in the last 28 years. Speaking at a dedication for a drilling rig. Mr. Edwards said 66 percent of the country's energy resources have been locked up in about 34 percent of federal lands.

He said some of the federal land to be opened would be offshore and 100 million acres would be in Alaska. He said he and Interior Secretary James G. Watt are working to free 200 million acres per year of federal land for energy exploration during the next five

May 22, 1981

The Ohio Company

Dillon, Read & Co. Inc.

E. F. Hutton & Company Inc.

Lehman Brothers Kuhn Loeb

Smith Barney, Harris Upham & Co.

Oppenheimer & Co., Inc.

But most money-market instruments, such as certificates of deposit, or CDs, are issued in big denominations. The new seven-year notes, which still must go through procedures at the Securities and

Exchange Commission, are issued in small enough denominations to appeal to small savers. Money-market funds, which are run by brokers, pool investors' deposits and buy money-market in-

posit immediately, purchasers of the money-market notes would have to sell them to another inves-

But Mr. Connolly of Manufacturers Hanover said that because the interest on the notes is adjusted weekly, the price of the notes should not fluctuate very much. Help for Thrifts Considered

on average, yield about 15 percent today. Money-market funds generally permit investors to write checks on their deposits and to withdraw their funds at any time. Unlike money-market funds, which will pay an investor his de-

Tokyo Exchange

New Index : 539.96 ; Previous : 562.91 Mikkel-DJ Index : 7.804.49 ; Previous :

Were drawn on April 27, 1981.

Nippon Elec. Nippon Steel

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struments. Money-market funds,

proach to the problem."

INTERNATIONAL BIDDING menegaz s.a., - indústria e COMÉRCIO, foreseeing the implantation of an industrial unit located in Passo Fundo, Estado do Rio Grando do Sul, is interested in acquiring machines and equipments for the agricultural machine industry.

The purpose of this commu is to invite interested parties to present their proposals in writing to the following address: Distrito Industrial de Passo Fundo - CEP. 99.100 - Passo Fundo - RS - Brazil.

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BANQUE INTERNATIONALE A LUXEMBOURG

Société Anonyme Paying Agent

Luxembourg, May 27, 1981.

G.T. INVESTMENT FUND

Société anonyme

Registered Office: Luxembourg, 14, rue Aldringen Registre de Commerce: Luxembourg B N° 7.443

The quorum required by law not having been reached at the first Extraordinary General Meeting of Shareholders held on May 18th, 1981, the shareholders are invited to attend a

SECOND EXTRAORDINARY MEETING OF SHAREHOLDERS

to be held on 19th June, 1981, at 9.30 a.m. at the registered office of the Fund. 14, rue Aldringen, Luxembourg with the following agenda:

1) To amend Article 16, subsection c), g) and h) so as to read as follows: except within the limits set out in a) above, pledge or otherwise excumber any of its securities or other assets or transfer or assign any

such assets for the purpose of securiting debts; purchase securities issued by its Investment Managers or Adviser. Custodian or Corporate and Domiciliary Agent;

To amend Article 23, third paragraph so as to read as follows: The Corporation may suspend the determination of the Net Asset value of shares and the purchase of its shares from its shareholders.

 a) during the whole or any part of any period when any of the principal stock exchanges on which any substantial portion of the Corporation's ordinary bolidays, or during which dealings therein are restricted or

during the existence of any state of allairs which constitutes an emergency as a result of which disposals or valuation of assets owned by the Corporation would be immediately

gency as a result of which disposals or variation of assets owned by the Corporation would be impracticable; during any breakdown in the means of communication normally employed in determining the price or value of any of the investments or the current price or values on any stock exchange as aforesaid; mend Article 23, section A, subsection 2) so as to read as follows:

2) The value of securities which are quoted or dealt in on any stock exchange is based on the last trade price or, if not available, the closing mid market price on the relevant day. The closing mid market price determined by taking the mean between the closing hid and offer quote prices. Where no such last trade price or closing hid and offer prices a quoted, the closing quoted price on that day will be used. To amend Article 23, section A, subsection 3) so as to read as follows:

3) The value of securities dealt in on the over-the-counter markets is bas-

on the last hid price on the relevant day provided that if such price does not reflect a fair market value of the relevant security, another price determined in accordance with generally accepted valuation met may be substituted as the fair market value. To amend Article 23, section A, subsection 4) so as to read as follows:

4) In the event that any of the securities held in the Corporation's portfolio on the relevant day are not dealt in or traded on any stock exchange of over-the-counter market the value of such securities will be determined

in accordance with generally accepted valuation med To amend Article 23, section D, sub-section d) so as to read as follows:
d) effect shall be given on any Valuation Date to any purchases or sales of
securities contracted for by the corporation on such Valuation Date, to

the extent practicable.

3) To ratify an amendment of the terms of the performance fee as provided by the shareholders in their general meeting held on 20th lune 1969, so as

1) to substitute to the Combined Average of the Dow Jones Industrial Average Index and the Standard and Poor's Composite Stock Price of 500 Stocks the Capital International World Index.

resolution and be applied to the current year on a prorate basis.

resolution and be applied to the current year on a prorata basis. The shareholders are hereby informed that this second Extraordinary Meeting of Stareholders shall validly vote on the points of the agenda whatever portion of the share capital of the Corporation will be present or represented. In accordance with Luxembourg law, resolutions will be subject to a majority of 2/3 of the shares represented at the meeting, provided however, that at this second meeting, shares not represented will (in a number not exceeding 1/3 of the total number of the outstanding shares) be deemed to vote for the resolutions proposed above, and provided further that in such latter case the resolutions must be voted by the majority of the shares represented at the meeting. In order to attend the meeting, holders of bearer shares should deposit their shares on or before June 15th, 1981 with the hanks listed hereafter. With respect to registered shares, proxies should be deposited at the registeres office of the Fund on or before June 17th, 1981.

— Amsterdam-Rotterdam Bank N.V., Amsterdam

Amsterdam-Rotterdam Bank N.V., Amsterda Bank Julius Bar & C° A.G., Zurjch

Banca d'America e d'Italia, Milan
Banca d'America e d'Italia, Milan
Banque Générale du Luxembourg, Luxen
Banca Commerciale Italiana, Milan
Banca del Gottardo, Lugano
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Banca Nazionale dell'Agricoltura, Rome

Bank Leu & C°, Zürich

Banque de l'Indochine et de Suez, Paris

Banque Scandinave en Suisse, Genève

Banque de Paris et des Pays-Baa, Paris 2°

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- Bertiner Hank A.G., Berlin

- Effectenbank-Warburg Aktiengesellschaft, Frankfurt

- Guyerseller Zurmont Bank A.G., Zürich

- Badenwürttembergische Bank A.G., Heilbronn

- Nederlandsche Credietbank, Amsterdam C

- Pierson, Heldring & Pierson, Amsterdam

- Privatbanken i Kjöbenhavn S.A., Copenhagen

- Skandinaviska Enskilda Banken, Stockholm C

- Ranca della Seingen Italiana 6001 I senan

Banca della Svizzera Italiana, 6901 Lugano

Banque Transatlantique, Paris 9^e
Caisse Nationale de Crédit Agricole, Paris 15^e
Crédit Industriel et Commercial, Paris 9^e
Merrill Lynch, Pierce, Penner & Smith Securit
Limited, London ECLA TDA
Crédit Industriel Calego et de Legacia.

Deway Luxembourg S.A., Luxembourg

B. Heuriques Jr. Copenhagen

Samuel Montagu & Co Limited, London EC2P 2HY

Bayerische Vereinsbank, München Vereins- und Westbank A.G., Hambur

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AMEX Index

L'ouverture des plis sera publique et aura lieu le 15 juillet 1981 à 10 beur

ment des Marchés à Metlaoui, Tunisie.

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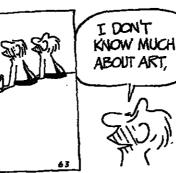
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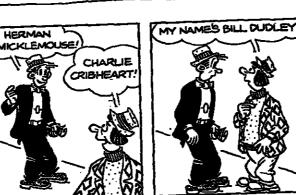












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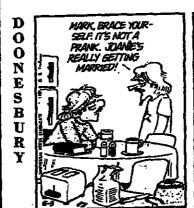








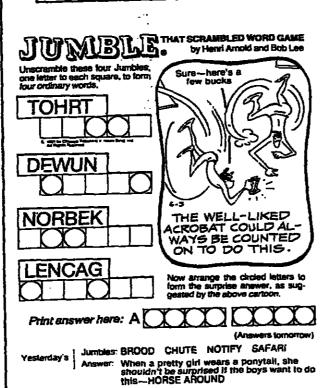












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BOOKS

SOLVENCY The Price of Survival An Essay on American Foreign Policy By James Chace. 115 pp. \$9.95: Random House, 201 E. 50th St., New York 10022.

REAL SECURITY Restoring American Power in a Dangerous Decade By Richard J. Barnet. 127 pp. \$10.95. Simon & Schuster, 1230 Avenue of the Americas, New York 10020.

JAMES CHACE is managing editor of the quarterly Foreign Affairs, a magazine that amounts to a palising-sest, or perhaps a Book of Common Prayer, of Eastern establishment thinking in the United States: Foreign Affairs is so respectable that even Richard M. Nixon has appeared in its pages. Richard J. Barnet is a senior fellow at the Institute for Policy Studies in Washington, about which there has been so much hobgoblinizing in recent months — as if it had been de-olded that the American left should no longer be permitted to think, in or out of tanks.

Both have written essays of roughly Both have written essays or roughly the same length and equal grace on U.S. foreign policy, with particular emphasis on military spending. Chace, surprisingly, is more personal connecting his boyhood in Fall River, Mass... and his graduate student days in Paris to a general malaise or "insolvency" of the American spirit. Barnet is determined to be calm as he piles is determined to be calm as he piles up his appalling facts, although there is a scream struggling to escape from his typewriter.

Guns and Butter Too

But both agree to a remarkable extent. Both assert that the U.S. defense budges has been wasteful and infla-tionary; that U.S. adventurism in Vietnam — during which Lyndon Johnson and Nixon sought to have their guns and eat their butter too, without raising taxes - runed the American economy; that the U.S. failure to explore and develop alternative energy sources to the Middle East oil pipeline is scandalous and dangerous; that an arms-limitation treaty of almost any sort has a metaphysical as well as a practical significance; and that the postcolonial world has be-come far too complicated for two su-perpowers like the United States and the Soviet Union to play nuclear war games. The little guys have missiles,

Chace is much clearer and more persistent on the relationship between Vietnam and inflation; the United States has to learn to pay for what it wants to do instrad of just printing money that its allies will cease to hold in reserve - there went the dollar. Barnet has a livelier sense of miscalculation - by man or computer, in the United States, the Soviet Union, China, India, Israel or South Africa that might crase whatever civilization we believe ourselves to have achieved. Chace concentrates on the U.S. balance-of-payments deficit; Barnet is more concerned with the failure of force, whether military or economic, to make much difference in international politics.

Why, Chace wants to know, does the United States ball out Chrysler when the Japanese are quick to abandon support of a trippled industry, as they are abandoning transistor radios? Why, asks Barnet, does the United States persist, like the Soviet Union, in playing world policeman when that role hasn't worked in Vietnam, China, Egypt, Afghanistan, Indonesia or anywhere eist. for anybody, since 1950? Neither is quite as clear as Lester Thurow in the May 14 issue of The New York Review of Books on the "counterproductive" na-ture of military spending (it is a form of consumption not investment; what is bought now, on cost-plus contracts, is obsolete five years later). But both are aware of the problem; the current administration in Washington seems less shrewd.

Chace and Barnet both warn us against "scenarios" - spun as if from the bowels of spiders in underground bunkers where all the apocalyptic buttons live - in which the Americans imagine what the Russians are thinking and the Russians imagine what

Solution to Previous Puzzle

Reviewed by John Leonard the Americans are thinking and everybody, sitting on an "overkill" capacity, goes bananas filling a "pap.
Chace asks the United States to consider those interests that are genuinely vital," such as Western Europe, Ja-"vital." such as Western Europe, Japan and Israel. Barnet insists that the
United States be realistic about the
Third World: In what way is U.S. naional security threatened by revolutions in Nicaragua or Zimbabwe?

Is anybody listening? Chace and
Barnet both point out that the rate of
U.S. investment in research and devel-

U.S. investment in research and development, the key to economic productivity, is lower than that of any other industrial nation in the world. And yet it is precisely that investment which is being curtailed, even as Americans are asked to increase military spending. Why? What's the point of hardening missile silos when a single Trident-2 submarine can wipe out 300 Soviet cities? What's the point of a "land-mobile" missile system when the United States already has multiple-warhead Cruise ships in the sky? Dollar for sorry dollar, what are

Americans buying? Americans are baying perceptions. How are they perceived by the Russians, and how do Americans. perceive" them? It seems to be an obscene seance, full of table-knocking and the voices of the dead. Meanwhile, the dozens of new nations brought into being by the postwar collapse of colonial arrogance insist on inconveniencing the Americans and the Russians. Terrorism and human rights are barely touched on in either of these books; Chace and Barnet submit to realpolitik while suggesting superpower modesty. But their elo-quent message is obvious; It's a mess; please be less greedy.

Greed, however, seems to be the scenario — greed for power, prestige, "credibility," being number one. For the Soviet Union, such greed is too late; the world doesn't work that way anymore. For the United States, such greed is nostalgic; the world worked its way for 25 years. Soviet greed is as. old as the worst czars'; America's is a late, late show.

John Leonard is on the staff of The New York Times.

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BRIDGE

R EOPENING the bidding when the opponents have come to rest in a part-score has now received the comprehensive treatment it deserves from Mike Lawrence, a former world champion, in an excellent book enti-tled "The Complete Book on Balancing in Contract Bridge." In one section Lawrence attempts

to estimate the frequency with which a player should reopen in different situations. If the opening suit-bid is passed, or raised and passed, he estimates that a player should balance 75. percent of the time. The frequency di-minishes with the number of suits available to the balancing side. If the opponents have no fit, or if they come to rest in one no-trump, Lawrence

One of the warning signals that should discourage a prospective balancer is shortness in an unbid major suit. Lawrence gives the following hand as an extreme example:

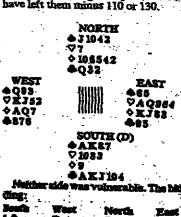
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When one spade was passed around to him, he jumped to three diamonds, showing a good hand with a good spit. His opponents then bid to six hearts and made seven. A sad story indeed Rather more typical is the di-agramed deal in which East appears

to be quite justified in bidding one heart when one club is passed. But since his partner was unable to overcall, there is a distinct danger that North-South has a spade fit. After one heart, South bids spades

By Alan Truscott

and North comes to life. Four spades is reached with a combined 18 points and only a 4-4 fit. The contract is unbeatable in spite of West's sure. trump trick, and his double is reasonable. East and West are minus 590 when a cautious pass by East would have left them minus 110 or 130.



Pecci Beats Noah; **Borg Gains Semis**

al Berald Tribune

PARIS - After dropping the first set, Victor Pecci of Paraguay rediscovered his big serve and fourth round here last year.
overpowered Yannick Noah, 3-6. The other men's semifi 64, 64, 64, Tuesday to reach the semifinals of the French Open tennis tournament. He will play Biorn Borg. who climinated Balazs Taroczy, 6-3, 6-3, 6-2

"I was serving better than ever."
Pecci said after the match. "The last time I served so well was probably in 1979 against Vilas and Connors." He was referring to the French Open two years ago, when he sailed past Harold Solomon, Guillermo Vilas and Jimmy Connors, only to lose to Borg in the

The Pecci-Borg rematch should be interesting not only because of the 1979 encounter but also be use it was Pecci who last defeated Borg, in Monte Carlo in april.

Lloyd to Meet Mandikova

Chris Evert Lloyd, meanwhile, defeated Virginia Ruzici, 6-4, 6-4, to earn a semifinal berth against Hana Mandlikova, who finally stopped Kathy Rinaldi, the 14 year-old American who earlier had defeated Dianne Fromholtz and Anne smith Mandlikova, who beat Lloyd last year in Atlanta, won Tuesdsy, 6-1, 6-3.

Andrea Jaeger advanced with a 4-6, 6-2, 6-0 victory over Mima into the real world, dazzling her Jausovec, a 24-year-old Yugoslav with a potpourri of shots. "I'm not and former champion here. In the semis, she will play either Martina Navratilova or Sylvia Hanika. Navratilova was losing 1-4, in the first set when rain and darloness

As a Frenchman, Noah was the overwhelming favorite here. He was still riding the euphoria of his victory Monday, over Guillermo Vilas, when he walked out to play in front of the cheering fans on the center court of Roland Garros Stadium. He played aggressively, coming to the net often and volleying for winners.

Counterattacker

But the 6-foot 4-inch Pecci-was also on the attack, always forcing the play. The match contrasted markedly with the routine, often boring, show that two baseline players put on. In the Borg-Pecci match, the two styles will be in

With his victory over Taroczy, Borg advanced to the semis with-out having lost a set. "A lot of the games were really close," he said of his Tuesday match. "But it has always been that way with Balazs.

money than you can spend and you're in your 40s and want to

Neil Bergt thought he'd try sail-

ing, so he bought a fancy cruising

yacht. There wasn't enough excite-

ment, so he bought a faster lancy

yacht last year and went ocean rac-

within months, he'd bought a

bigger, even faster and fancier

yacht and decided to circumnavi-

gate the globe as the first U.S. en-

try ever in the most ardnous, peri-

lous ocean race of all, the Whit-

have fun?

points but our games are always close." Borg has now beaten Taroczy six times without a loss. The last time they met was in the

للاد الهن المعمل

The other men's semificalists will be decided Wednesday, when John McEnroe plays Ivan Lendl and Jose-Luis Clerc meets Jimmy Connors

While Lloyd defeated her Romanian opponent in two sets. she needed more than two hours to complete the match as the two engaged in marathon games. Lloyd's victory streak over Ruzici has now reached 19, nine of them since the two met in the final here last year.
Lloyd has said repeatedly that Ruzici is the second-best claycourt player in the world.

This was one of my best matches on clay," Ruzici said Tuesday. "I was just glad that I was able to get into the games. I was humuliated last year, and I went on the court today thinking that I was ready to die out there trying to

"Just a few more points and I might have."

Asked to comment on Lloyd's assessment of her talents, she said: "I'm sure that I am one of the top four on clay in the world. If I could hit my forehand as well as my backhand I would be the best player in the world."

Mandlikova sent Rinaldi back into the real world, dazzling her upset that I lost," Rinaldi said. "I just wish I would have played a lit-

Mandlikova, 19, said she was in much better shape, than she was last year, when she lost to Lloyd in the semis. "The public expects me to play a good game against Chris," she said. "And I think I

can, if I'm patient." Jaeger had some trouble in the first set, but was clearly in command when the match ended. "It's a big difference from last year," she conceded, referring to her firstround elimination from the French

Even if I had lost today I would have been satisfied because I played so much better than last year. Jansovec won here in 1977. It's not like it has been an easy draw for me," Jaeger said.

MENTS SINGLES

Quarterfinate Bjorn Borg del, Bolazs Taraczy, 6-3, 6-3, 6-2; Victor Pacel del. Yennick Moun, 3-6, 6-4, 6-4, 6-4.

Millionaire Yachtsman Bergt



... A rallying winner, 3-6, 6-4, 6-4, 6-4.

The Soccer Scene

The Russians Are Coming

By Rob Hughes

LONDON - The Russians are coming. They are on the attack and, by this time next year, will represent a threat to the world.

That, believe it or not, is the most encouraging conclusion to be drawn from four days of otherwise extremely sick soccer last week. Coming after the dreadfully boring European Cup final — "chloro-form football," a French reporter called it — and before the disgrace of the England team and her hooligan supporters in Switzerland, 11
Russians had us rising to applaud
a masterful display of controlled
and imaginative modern soccer.

It is highly significant that the two nations that have begun 1981 most impressively are Brazil and the Soviet Union. Significant because they are far and away the most populated soccer countries; gratifyingly significant in that each is a new manager committed to enterprizing play.

Brazil, with recent victories in England, France and, more sur-prisingly, West Germany, is being sensibly redirected toward intuitive touch-play. The Soviet Union,

Bird, 14-Hit Yankee Attack Beat Indians, 5-3

soccer it pursued for the past dec-

Getting the Points

Manager Constantin Beskov, known for the attacking style of his Moscow Spartak club, appears to have grasped two things: that most battles are won going for-ward and that his homeland, with a 255-million populace, dammed well ought to be able to find a dozen individuals capable of winning most battles.

Before anyone thinks I have lost my marbles, it is conceded that the Soviet performance inspiring these views was nothing better than a 0-0 draw in Wales — a nation that cannot muster three million citizens. But the scoreline was a trav-

The Soviet Union, changing gear and direction with perplexing fluency, created chances with studied brilliance — and squandered them with abandon. None spurned more opportunities than David Kipiani, the balding orchestrator whose skills had won the Cup Winners Cup for Dynamo Tbilisi, and Oleg Blokhin, whose electric whose 12 unbeaten games include pace has Olympic potential, bred

with 99. Rick Monday had a home

In Philadelphia, the Phillies ral-

lied for two runs in the ninth, one on Garry Maddox's leadoff homer,

to beat New York, 5-4. Maddox's

second home run of the year, off

winning run. Dave Kingman had

Reds 8, Giants 5

In San Francisco, Dave Concep-

run for the winners.

a victory in Brazil, has departed as it was out of a Ukrainian na-convincingly from the sterile tional sprint champion.

Kipiani, Blokhin and Alexandr Chivadze, the imaginative sweeper, are acknowledged masters. But now they are surrounded by quality: Goalkeeper Rinat Dasaev is tall, stringy and elastic; right-back Tangiz Sulakvelidze counterattacks swiftly; center-forward Sergei Andreyev is an elusive foil for Blokhin. Midfield, of course, is Kipiani's springboard, but Vladimir Bessonov and Khoren Oganesyan are young lieutenants thriving on

Welcome, Soviet Union, to the minority stage of entertaining

Wretched Contribution

Sadly, we can no longer put off England's wretched contribution to international soccer. Liverpool's dull triumph over Real Madrid in the European Cup and the clash between her supporters and French riot police before the game was a prelude to England's defeat against Switzerland.

On Saturday, England faces in Budapest a Hungarian side which
— with Andras Torocsik, Tibor Nyilasi and Lazlo Kiss — is even more gifted. But Hungary's aging

drove in another run. Dan Dries-

sen capped the uprising with a

two-run double. Foster had a tworun homer for Reds in the first, giving him a league-leading 39 RBIs.

Cardinals 4, Expos 2

Bruce Sutter combined on a five-

hitter and Garry Templeton went

3-for-4 with two runs batted in to

lead the Cardinals to a 4-2 victory

over Montreal. Templeton singled

and scored on Dane lorg's single

in the first. The Expos tied it on

doubles by Larry Partish and Chris Speier in the fifth, but St.

Louis took a 3-1 lead in the bot-

tom of the inning on doubles by

Glenn Brummer and Tom Herr

and a single by Templeton. Tem-

pleton's seventh-inning double

plated Herr with the winning run.

Gary Carter hit his sixth home run

Baseball Line Scores

AMERICAN LEAGUE

In St. Louis, John Martin and

least encourages England to hope she can restore a modicum of World Cup pride.

In other groups, Italy expects to consolidate qualification by win-ning in Denmark and Northern

Ireland's chances require at least a draw in Sweden. Anywhere but Budapest, the spotlight is on players. In Hun-gary, alas, the TV eye will roam the terraces, surveying the behav-ior of English youths, 52 of whom were arrested during drunken brawls in Switzerland. English parliamentarians are embroiled in

their almost annual breastbeating.

their pathetic long-range opi-nionating over the country's stupid flag-bearers abroad.

MPs who understand soccer as profoundly as they seem to the social causes of vandalism, squable about the supposed "correlation between the hacking tactics of the England team and what happened on the terraces." They want passports withheld from young thungs; they blame soccer, as if the liquored minority attaching itself to the games's publicity glare is representative. They walfle, hoping the problem will fade.

And soccer authorities? Impotent. And they know it.
The English F.A. wants to abdicate responsibility, to disband official travel club and ask other countries not to admit Englishmen. FIFA, the world rulers, say they will, in good time, probably fine the English F.A., but not bar the team. How ambiguous can they be? UEFA, the Eurpean authority, made the same futile distinction after the Turin riot last year.

'Benign and Elderly'

Their logic has stunning banality. But then, soccer adminstration would win any diploma in illogi-cality. The English F.A. last summer blamed heavy-handed Italian riot police for Turin's ugly fighting. It now derides "benign and elderly" Swiss law enforcement for standing and watching hooligan-ism. They demonstrate ignorance with every mouthful. The troublemakers, say the F.A. will meet their match in totalitari-

an Hungary "if they step one inch out of line." Really? Where were the F.A. observers in the Nep Stadion a fortnight ago when hordes of youths ran wild? They smashed down a wire fence and baited Romanians - whose police stood as beingn as any Swiss.

Why? "We are a forgiving peo-ple," said one politician, "Young people will make mistakes. Besides, it is nothing like English hooliganism. No, not yet.

But 20 minutes after that exchange of views, I attempted to use a public telephone. It had been vandalized.



Indian third baseman Toby Harrah, throwing off-balance, just missed getting the Yankees' Willie Randolph on a first-inning grounder Monday night in Cleveland. New York won game, 5-3.

Major League Standings



for Montreal.

Lerch, Cleveland (11)	and Moore; Wilcox, To-
bik (4), Soucier (8), Ro	szema (11) and Parrish
	Cleveland, 2-1, HR-
Allwoukee, Simmons (8	
NATIONA	LLEAGUE
New York	100 101 010-4 9 1
Philodelphia	290 000 12x-5 15 2
	d Steams; Christenson
	and Boone, W-Lyle, 41.
L-Allen, 3-3. HRs-Ne	
Philadelphia, Maddax (
Montreal	
St. Louis	
	100 020 10%-4 9 1
	(2) and Corter: Martin,
Sutter (8) and Brumme	
Lea, 4-2. HR—Montreal,	
Attente	000 000 200—2 7 0
Los Angeles	200 010 20: 5 8 0
) and genedic); Valen-
zuela and Sciascia. V	
Boogs, 1-8, HR—Los Ang	
Cincinnati	210 100 004-8 15 8
Son Francisco	010 021 100-5 11 0
Berenyi, Moskov (é),	Huma (8) and Nolon;
D.Alexander, Moffitt (5)	, Minton (7), Levelle (9)
and May. W-Home, 3-2	L-Minton, 2-3, HRs-
Cincinnati, Faster (12).	
(7).	
•- •-	-

California 900 010 002—2 · 7 1 Toronto 188 000 908—2 · 1 Forsch and Ott: Stieb and Whiti: W— Forsch. 7-3. L—Stieb. 4-4. HRs—California, Hobson (3),

usz 000 000—2 10
s.consos City 000 001 11x—3 9 1
Abbott, L.Andersen (7). Rowley (8) and Bulling; Selfitorff, Quismberry (7) and Wathan. W—
Selfitorff, 2-4, 1.— L.Andersen, 1-3.
New York 820 120 800—5 14 0 101 010 000—3 11 2 us uto 900—3 11 1 strat. R.Davis (6), Gessoe (7) and Gerone; Garland, Locey (5), Stanton (5) and Hossay, W—Bird. 4-9, L.—Garland, 3-6. HRs—New York, Deni (6), Winkleid (5), Cleveland, Orto (1) Milyande—

NASL Standings

SOUTHERN DIVISION 9 3 27 6 5 18 WESTERN DIVISION San Diego San Jose Los Angeles Californis 8 4 22 15 6 7 17 22

bread 'Round the World. He told his hired captain, Mike world who can put together all the Farley, to put together a crew of 11 ingredients. What is a little unusual is a and start making preparations. Farley, an old hand at ocean racprerace reception of the sort Bergt ing, called some serious racing cronies and outlined the plan.

'Great -- Have Fun' "I told him, You're going fround the world in a Swa Freat -have fun," said Ted Allion, who had been aboard the Britsh boat King's Legend in the

They wouldn't go.

977-78 Whitbread. Bergt's million-dollar Swan vasn't enough boat for the hottest acers. A Swan 65 had won the irst Whitbread, in 1973-74, and Swans had taken three of the top ive places in the second race. But imes change fast on the ocean-rac-ng scene. New designs had passed he Swan by. If Bergt was to get he best crew, they wanted more

So he bought a yet faster, fanzer item - Flyer, winner of the 977-78 race, a custom-des duminum Sparkman and Stephens

5-footer. He sent Farley to Holland, where the boat lay, to have her completely rebuilt, including an mire new stern, all new rigging, new winches and a sail plan redeigned from ketch rig to sloop. Now he has his crew.

Transactions

SASEBALL

American Laugue

Americ . National League

eir Kingsport, Tenn., form club in the Ass tion League, Named Ed Olson as a coast

FOOTBALL Harianei Foetball Leopse DENVER—Released Joe Rizzo, linebacker. HOCKEY

National Hockey League
COLORADO—Named Bart Marshall he DETROIT-Slaned Wayne Maurier, coach, to G

PITTSBURGH-Signed Randy Boyd, defa os, and Doug Snedden and Pol Graham, tor-plicis. Named Lau Accott assistant coach. VANCOUVER—Signed Dorrell May, scalle, to

COLLEGE UNIV. OF TEXAS -AN

Eagle in honor of the rough-and- tion of a difficult campaign. Washington Post Service
WASHINGTON — What do tumble state where he made his to embarra
to embarra ternational crew of 12 (including a French chef) from around the globe for a reception at the U.S. Senate. Alaska's congressional del-egation and other VIPs were there to munch crab legs and salmon and wish him well.

It is not uncommon in yacht racing for a newcomer to spring fully grown on the scene. Ocean racing is a nice athletic outlet for millio-

All it takes to create a winner is a talented crew, a great boat, a lot of money and some organizational expertise. Wealthy, self-made men are among the few people in the

organized. Usually such celebra-

Brooks Is Hired As Ranger Coach

NEW YORK — Herb Brooks, who guided the 1980 United States Olympic hockey team to a gold medal, has agreed to terms to coach the New York Rangers of the National Hockey League. The chib will announce the hiring officially later this week.

Brooks, 43, will work under General Manager Craig Patrick, Brooks' assistant on the Olympic team. Patrick took over as coach of the Rangers Nov. 22, 1980, when Fred Shero resigned, but was refuctant to continue in both roles. Patrick sought Brooks to coach

the team for several weeks following Shero's resignation but Brooks was unable to get a release from his contract as coach of an amateur club in Davos. Switzerland. Prior to the 1980 Olympics, Brooks' major coaching achieve-ments were at the University of Minnesota, which he led to three National Collegiate Athletic Association titles in seven seasons. He

Rockies Name Marshall

strong communicator.

is a disciplinarian who is also

known for being aloof and not a

DENVER (UPI) - Bert Marshall has been named head coach of the NHL's Colorado Rockies. He is the club's sixth coach in five seasons. Marshall's appointment has been reported for several weeks, but the announcement, made Monday, had been delayed until the conclusion of the Stanley Cup playoffs because Marshall Islanders' Central League farm club at Indianapolis. Marshall replaces Rockies' Coach Bill Mac-Millan, who last month was named general manager after the firing of

Bergt renamed his boat Alaska tions are reserved for the comple-"He's leaving himself wide open

veteran yacht-watcher. That's nothing new to Bergt, a phinger. He's chairman and owner of

Alaska International Industries, a

conglomerate with interests in oil

CLEVELAND — Doug Bird, moved into a starting role because

of injuries to Tommy John and Ron Guidry, won his 11th consec-

utive game Tuesday night in help-

ing New York to a 5-3 triumph

Bird (4-0) has not lost a game

since Aug. 16, 1978. He went five

BASEBALL ROUNDUP

innings before giving way to Ron Davis, who pitched into the ninth.

Rich Gossage got the final out to notch his 14th save.

The Yankees had 14 hits, includ-

ing bases-empty home runs by Bucky Dent and Dave Winfield.

Denr's homer in the third put the

Yankees ahead to stay after Jorge Orta's home run had tied the score

at 2-2. The trimmoh marked the

22d time in 23 games the Yankees

have won this season after taking a

Royals 3, Mariners 2

Brett batted in two runs with a triple and single to spark the Royals past Seattle, 3-2. Paul Splittorff

In Kansas City, Mo., George

lead into the seventh inning.

over the Indians

drilling, heavy construction, insurance, hotels, land development and an airline.

All is sponsoring the Whitbread effort to the projected tune of about \$1.2 million.

Milk Route

Bergt never went to college. He worked through high school in Anchorage and, when he graduated bought a milk route on which he made, he says, \$1,800 a month by working 3 a.m. to 7 p.m. six days a

With his profits he bought an airplane, became a commercial pilot and parlayed that into ownership of AII's predecessor, an air freight company.

Bergt flew into Washington on his company's private Israeli-built jet. In his suite at the Hotel Fairfax, he talked about how he came to be the first American to enter the Whitbread. "I think I'm the greatest student of the Whitbread there is, other than the participants themselves," he said.

"I've read everything I could get my hands on about it since I read the official account of the first race

"If you're really involved in ocean racing, the Whithread has to be the ultimate challenge. People ask me, Why do you want to go? I say, if you like ocean racing how could you not want to go? It's like playing football and not wanting

to play in the Super Bowl." About 25 entries are expected in this year's Whitbread, which begins Aug. 29 in Portsmouth, England. The race is run in four legs, with three-week layovers in Cape Town: Auckland, New Zealand; and Mar del Plata, Argentina. The finish is in Portsmouth. It takes about eight mouths.

The Gangust

Allison, one of two Whitbread veterans on the crew, said the race "offers everything you'll ever see in ocean racing. In 26,000 miles. everything that can happen will happen, from dead calm to raging storms."

The crew left for Holland after the reception here. The boat, which none of them has sailed, is due for launching June 15, when Bergt will join the others. They'll test sails and practice through the summer. Bergt has hired the forhad been coach of the New York mer director of the Alaska pipeline to run his company. Now it's only a question of per-

severance and Inck. Where will the first American Whitbread racer finish? "We are going to win," said Bergt.

went eight innings to raise his and Dan Ford hit bases-empty record to 2-4 with Dan Quisenber-homers to power California to a 3ry pitching the final inning for his eighth save. 0 victory over the Blue Jays.

. Tigers 4, Brewers 3

In Detroit, pinch-runner Mick Kelleher scored from third on Lynn Jones' ground single up the middle — his fourth hit of the me - with one out in the 12th to give the Tigers a 4-3 decision over vilwaukee Dave Rozema went the last two innings to get the victory. Ted Simmons homered for

Angels 3, Blue Jays 0

In Toronto, Ken Forsch pitched three-hitter and Butch Hobson

walked three in posting his sixth complete game and third shutout of the year. Dodgers 5, Braves 2 In the National League, in Los Angeles, Fernando Valenzuela pitched a seven-hitter and struck

Forsch (7-3) struck out six and

reliever Neil Allen, tied the score, 4-4; pinch-hitter George Vukovich added a single that drove in the out 11 to become the major given the Mets a 4-3 lead when he leagues' first nine-game winner in opened the eighth with a bases-empty homer, his 12th of the year and his sixth in seven games. leading the Dodgers past Atlanta, 5-2. Snapping a personal two-game losing streak, Valenznela took over the major-league lead in strikeouts with 90 and in innings pitched

> third; Concepcion drove him in with a bloop double and George Foster was walked to load the bases: Gary Lavelle relieved Minton and struck out pinch-hitter Mike Vail, but Ray Knight's single

Strike Strikes Home: Reflecting on Reflections

By Ira Berkow

New York Times Service

NEW YORK - Wars couldn't stop major league baseball, the Depression couldn't stop major league baseball. It seems the only thing that could is major league baseball itself. The very threat of the players' strike, the idea that the great stadia would be empty this summer — and the crack of bat against ball merely an echo in the mind — is

reason enough to reflect. "Whoever wants to know the heart and mind of America had better learn baseball," wrote social commentator Jacques Barzun more than a quarter of a century ago. "Fundamentally," he said last week, "things haven't changed. Baseball still reflects our society. It's just that our society has changed.

'A National Machinery'

Baseball, Barzun says, once expressed the unification of America, the teamwork involved. "When we look at the triumphs of American technology on a large scale, he says, "we see the fine workings of a national machin-everybody in every department cooperating effec-

tively with no gaps in time. "It was like the making of a double play, perhaps. Or a relay in which nine men speedily clicked together to achieve a desired result. It's a beautiful thing to observe. "But now, the contentions in baseball parallel the enormous unrest in our society. There's more litigation, for example, than ever before. And the star system has gotten out of hand. The teamwork that once marked the beauty of baseball is now scorned, and along with the diminish ing appreciation for the rich qualities of baseball there has developed diminished appreciation for the rich quali-

ties of American life." But a summer without baseball would not be quite the same for Barzun, who is still a casual fan. Roger Angell, a writer for The New Yorker magazine, also would miss it. It's part of my summer habits -- and maybe my winter habits, too," he said. "I suppose I'd get along all right without it, but I'd rather not. There is a continuity with baseball, and there'd be a feeling of loss with it - like, there goes something else in our lives."

One of the qualities that Angell likes best about baseball has been its stability. He has written: "Within the ballpark, time moves differently, marked by no clock except the events of the game... Baseball's time is seam-less and invisible, a bubble within which players move at exactly the same pace and rhythms as all their predeces-

Formalized as a Bullfight

The late historian Bruce Catton called baseball a "pageant and a ritualized drama, as completely formalized as a Spanish bullfight, and although it is wholly urbanized it still speaks of the small town in the simple rural era that lived before the automobile came in to blight the landscape.... In a land of unending change,

baseball changes very little." But it seems to have often reflected the mood of the nation, and its ambitions. Mark Twain wrote at the turn of the century that baseball was "the very symbol of the outward and visible expression of the drive and push and rush and struggle of the raging, tearing, booming 19th

century. For many it remained that way into the 20th. "America was the land of opportunity where even a poor boy could grow up to be Babe Ruth," wrote Douglass Walop, in Baseball: An Informal History."

Once those sentiments were expressed about the presidency. But, Walop went on, "Cal Coolidge moved through life with careful sidesteps, smiling sour smiles. Babe Ruth laughed a mighty laugh, strode with the stride of a giant, slamming the door of his Stutz Bearcat and wading through the crowds, long camel-hair coat flapping near his ankles, big brown eyes shining, a long cigar stuck between the fat lips, and grinning as they all say, 'Hiya, Babe,' and yelling back. 'Hiya, kid. . . . Atta boy, kid, keep swinging from the heels.'"

There were those who resented Ruth's making more than the president of the United States, but his largerthan-life qualities overshadowed the money aspect. Today, though, the big bucks intrude on our summer devo-tions, says Angell. "A lot of people find it insupportable, and against the work ethic, that young men can make so much money. You're supposed to work hard for not much money at something you don't like when you're young, and improve on that as you get older.

Owners: A Death Wish

"And this idea of players making large amounts of money also says something uncomfortable about our society, where a ballplayer can make so much more than, say, a teacher. But it's not the fault of the players. The money is obviously there. It seems like the owners have a

death wish about the game." Baseball is part of the tradition of many American families. "It may be on the periphery of our lives, but it is ingrained in our psyches," said Dr. Peter Berezeller, a Manhattan physician. "We grow up with it being an inte-gral part of our childhood and we never really divest ourselves of it. I still root for the Giants - even though they've moved from New York to San Francisco. And now I see my son following the teams and players, as I

At least twice a year, Paul Weiss, professor of philosophy at Catholic University in Washington, and author of Sport: A Philosophic Inquiry," says he meets his son, Jonathan, a New York attorney, in Baltimore to take in an Oriole game. "Baseball is something we've shared for a long time," said Weiss. "It is a beautiful, graceful game and it is social in a way that football and hockey aren't.

Those two sports are adventitious. It seems that beat-

ing up opponents is of as much interest to fans in those sports as the game itself. And basketball is a sport limited

to the technically knowledgeable." Were there to be a baseball strike, Dr. Albert Ellis says he is sure to hear about it from some of his clients. will disturb a few of them greatly," says Ellis, a psychologist and executive director of the Institute for Rational-Emotive Therapy. "They're devoted to it, and some of

these people have a very low frustration tolerance. Others have a different view of things. "I don't have the slightest interest in the thing," says playwright Lillian Hellman. "Mr. Dashiell Hammett spoiled me of all sports. He was such a sports fan — a sports fiend, l should say — that he drove me crazy. He'd be listening to a baseball game and shouting about this player and that, and I'd have to leave the room. He'd holler, 'You're the only person in America who doesn't give a damn about

'Undevelopments'

Not so. "I went to my last baseball game in 1934 in Washington," said John Kenneth Galbraith, the economist, with a chuckle. "It was between the Senators and an otherwise unspecified team. Unless I'm in Washington and unless the Senators come back to town, I don't plan on seeing another." And of a possible strike? "I am totally unaffected by these grievous undevelopments."

Baseball doesn't always travel well and it has had its detractors overseas. In the fall of 1924 George Bernard Shaw wrote about an exhibition game in London between the Chicago White Sox and the New York Giants.

"It was as a sociologist, not as a sportsman - I cannot endure the boredom of sport — that I seized the opportunity of the London visit of the famous Chicago Sioux and the New York Apaches (I am not quite sure of the names) to witness for the first time a game of baseball," wrote

"I found that it has the greater advantage over cricket of being sooner ended."

The Prof and the Catcher

Perhaps baseball held the kind of impenetrable mysteries for Shaw that it did for Einstein. When Einstein met Moe Berg, the esteemed linguist and major league catcher, he suggested, "Mr. Berg, you teach me baseball, and I'll teach you mathematics." He paused, and added, "But I'm sure you'd learn mathematics faster than I'd learn

Comments Seymour Siwoff, president of Elias Sports Bureau, the sports statistics company: "Baseball in the summer is like a journey. It's played every day, We follow it. There'd be a great void without it. A real part of our history would be lost.

"I'm sure we'd find something to take its place. The question is, what?

and the concern that farwan not be at Pentagon officers, reversing their judg friendship treaty with Moscow."

in the relationship.

nounced.

MX Credibility Gap

By Russell Baker

NEW YORK — Life has become a constant burden, thanks to the recent surge of skepticism about the accuracy of what is written in the newspapers.

Last night, for example, my garage was invaded by investigators looking for evidence that fictions have been published in this column. Imagine my

rage. What had aroused these busybodies was my series of re-

ports about the MX Pentagon. These articles, in case you missed them, outlined my program for building 250 fake

Pentagons and keeping them constantly moving around the high-ways on trucks, along with the real

Baker

As I have patiently explained, the MX Pentagon system is an es-sential companion piece to the MX missile system, which will keep several hundred missiles moving constantly around the Southwestern desert to confuse Soviet targeters about where our bombs might be coming from.

Anyhow, these snoopers suspected that my MX Pentagon program was a fiction. Such is the cynicism of the modern newspaper reader. "Your last article said you'd al-

ready built three prototype models of the fake Pentagon in this garage," the chief investigator said. "I don't see any Pentagons in this garage," One of his lieutenants said,

"Chief, there isn't room in this garage to build three Pentagons."

"That's right," said the chief. "In fact, this garage isn't even big enough to hold one Pentagon." "Of course not," I noted. "If you observe closely, you will see it isn't even big enough to contain all of my 1969 Buick Electra."

"So you published fiction in the newspaper, ch?" It was easy to calm them. "Do

you really want me to notify the Russians where our fake Pentagons are built?"

They agreed I had a point there, and one or two even congratulated

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me on not being "one of those freedom-of-information freaks." "Nevertheless," said the chief investigator, "you'll have to reveal
— strictly in confidence, mind you

where the fake Pentagons are being built, or we'll nail you for trying to hornswoggle the reader." So I confided the secret to him. build them in the cellar."

"Nobody can build a Pentagon in the cellar," he said. "You'd never get it up the steps."
We went to the cellar.

"Just as I suspected," he said. 'There's no Pentagon construction

going on in here." "Of course not," I said. "Do you take me for an idiot? For all I know, you could be an agent of the KGB. One word from you, and there goes my cellar, not to men-tion the center of fake-Pentagon construction."

He looked skeptical. These peo ple are very good at looking skepti-cal, but not at much else.

I explained. "Before undertaking construction of the MX Penta-gon. I built 2,500 MX cellars, which are now located in scattered excavations all over the continent. In one of these cellars, whose location is known only to me, fake Pentagons are now being produced

at a prodigious pace."
"Who's paying for this MX cel-lar program?" he asked. "That's not the question," I ex-plained. "The question is, are you, as a patriotic American citizen willing to pay for a program that will counter the Russians' MX

Kremlin system?"

He was astonished to hear about the MX Kremlin. "Oh yes," I confided, "the Russians are building 5,000 fake Kremlins to be kept constantly on the move in order to confuse our bombers. I have the

intelligence from captured docu-Naturally he wanted to see the captured documents. "Impossi-ble," I explained. "They have been fed into my MX captured-document-shredder system, which con-sists of 10,000 paper shredders in constant circulation between Tal-

lahassee and Syracuse." "You're trying to put me on, aren't you?" he said. It was painful to see a man so far beyond the healthy reach of truth. New York Times Service

Ordeal in Argentina

Jacobo Timerman on Torture and Being Jewish

By Christian Williams Washington Post Service

ASHINGTON - "The Word that I have most is 'unbelievable,' 's said the man who had been tortured. He wore a well-cut, pinstriped suit, and his face, tanned the color of his expensive gold wristwatch, reflected the irony in his voice.

"What people want to hear about first is the torture. I am tired, but I try to tell them. Unbelievable, they say.

"But I have an idea. On the television talk shows I will agree to be tortured just as I was in Argentina. Then everyone will know what it's like.

"It would be easy, because the equipment is very simple. All you need is an electrical outlet, and a small transformer with a dial, and two wires for the electrodes.

"The first stage is pain, excruciating pain wherever the electrodes are applied. People would see my muscles contract, my hands drawing up in fists like this, my back arching, and hear that particular scream. The secstage, when they turn the dial up, destroys the tissue wher-ever the electrodes are applied. The third stage stops the heart." He touches his chest. "I would agree to be tortured on television to the first stage."

Symbol of a Problem

It is unlikely that the U.S. news organizations will take Jacobo Timerman up on his offer. Much better to remain a certain distance from Timerman, the distance appropriate to the outspoken intellectual whose case has come to symbolize the Argentina problem — the prob-lem of a nation struggling to govern itself while beset by terrorism, kidnapping, bombings, a 170-percent inflation rate and the scrutiny of its political allies.

Timerman, now 58, was until April 15, 1977, the outspoken and influential publisher and edi-tor in chief of La Opinion, a liberal daily newspaper in Buenos Aires. On that date, 20 armed men entered his 15th-floor luxury apartment and took him to pris-

on. He was jailed until Oct. 13, 1977, then was kept under house arrest until Sept. 24, 1979.

Twice the Argentine Supreme Court found that he was imprisoned without charge. The second time, the junta responded with a threat to disband the court. But Timerman had become a nuisance in his incarceration as well. His citizenship was revoked, his newspaper and his possessions were confiscated and he was expelled from the country.

In ridding itself of Timerman, the Argentine government gave his story to the world. Bitter and combative, it reaches out from the pages of his book, "Prisoner Without a Name, Cell Without a Number."

'Second Biology'

The context of the story is Argentina, where since 1976 thousands of persons have "disappeared" — estimates range from 6,000 to 20,000 — and many more have been arrested and imprisoned. But it begins and ends with Timerman's Jewishness.

"To be a Jew is to have almost a second biology," he said. "You are a man — and a Jew. You are a journalist - and a Jew. The stion is always of survival. Nobody can explain why anti-Semitism exists, why a people is hated. Yet we are. Before Argentina there was the Holocaust, and before the Holocaust the Inquisition. That is why I am a Zionist. We must have a homeland, and we must have guns."

In prison, "I would be taken from the torture machine into another room, and there would be a man, an intellectual, smoking a pipe, pronouncing his words correctly. A man just like you or me, who would carefully explain that he was not a tortur-

Then he would say: We know Brzezinski is a Jew. We know President Carter is a Jew, he changed his name from Braunsweig. We know Brzezinski has a plan to take over Brazil and Argentina and Chile. You must tell us about the details." He is a Jew by birth ("I am not

at all observant"), a political journalist by vocation. He served his apprenticeship on the dailies of Buenos Aires. One day, his editor told him he could have a byline — a great privilege, as most articles were unsigned.

"One thing," the editor said. 'Jacobo sounds too Jewish. Why don't you sign your name as Ale-jandro? But I held out, and at the time I thought I had scored a great victory. Only now I realize that it was a great defeat that the question should arise at all."

In the 1960s Timerman founded the magazine Primera Plana. It was successful. He sold it and used the profits to found La Opinion in 1971. His success was now conspicous. He had his fine apartment with a view. He had a holiday home in Uruguay. La Opinion followed no pre-

dictable party line. Neither did Argentina. Between 1973 and 1976 there were four Peronist presidents and a dozen notable political, military and revolutionary splinter groups.

One morning Timerman received two letters at La Opinion. One was from a rightist terrorist group, condemning him to death. The other was from the Trotskyite Popular Revolutionary Army, also threatening him with death.

Paper Closed

Timerman called at one point for a coup — the traditional method of changing governments in Argentina — and in retribution Isabel Peron closed La Opinion for 10 days. The coup came in 1976, putting the army in power. But it was the army that arrested him.

"So much in Argentina is unique. And no one knows about it. The murders, the disappear ances, the tortures. Just to ask the names of the missing persons was extremely dangerous, and yet how could a newspaper not ask? This is why I did not go into



Jacobo Timerman

when there was a Committee of Mothers of Missing Children asking our help? Do you know that in Argentina there is also a Committee of Grandparents of Missing Grandchildren? Where else in the world would you find a Committee of Mothers of Missing Journalists?

Although the junta confiscated all his property and shut down La Opinion (which he valued at well over \$5 million), they could not touch his summer home in Uruguay. He sold it, and that money established him in Tel Aviv, where he lives now. His wife is there, and two of his sons. The third son is in New York, studying foreign affairs. Timer-man has written another book, about Israel, and does a column

twice weekly.

He scoffs at the notion that he survived intact and with power.

The great cost has been to my peace of mind. I try to come back now to the things that were most important to me, and I cannot. It is very frightening. I have lost the ability to read the great poets, Sophocles, or T.S. Eijot, or Delmore Schwartz, that were so important to me."

Timerman believes that Argentina must improve, that the worst times are over there, and that many of the 1 million exiles will eventually be able to return. Perhaps he will, too?

"No," he said sharply. "I will never return. I cannot. You see, I was not treated there as a political enemy, I was not hated for my politics. I was hated because "My wife would say, 'I will run the paper, you escape.' I would say, 'No — I will run the paper, you escape.' But how could we my Jewishness."

I was a Jew, and I can never return to that I will stay in Israel. I am no longer ashamed to love my Jewishness."

PEOPLE: Jeff MacNelly Gives Up Political Cartooning Pen

One of the United States' fore-most editorial page cartoonists, Jeff MacNelly, is giving up political cartoning to concentrate on his comic strip, "Shoe," MacNelly has been with The Richmond (Va.) News-Leader since he began his career as an editorial cartoonist in 1970. "Shoe," whose characters are birds, is syndicated to 550 newspa-pers. MacNelly's political carteons were syndicated to 450 papers. MacNelly, 34, has won many awards, including Pulitzer Prizes in 1971 and 1977. "I am devoting more time to the birdbrains of my comic strip," he said. "I would like to devote less time to the birdbrains on the national and international stages, thereby making room for new projects and new ideas. * * *

Ali Ahamed Anwar of Singapore walked off with the first prize of \$6,000 in the Asian amateur singing contest in Hong Kong. Anwar, 30, a businessman, belted out "One-in-a-Million You" to best 11 other contestants. Japan's Mariko Hiraga 24, won the gold prize and the two silver awards went to Park Sun-ja of South Korea and Marie Conion of Sydney.

space shuttle astronauts John W. Young and Capt. Robert L. Crippen received the keys to the city of New York from Mayor Edward L Koch, and gave him and the city a small American flag and a flight patch that they carried during the shuttle Columbia's 54/2hour mission in April. When they were asked how they would compare the Times Square subway shuttle, to the Columbia, Young, to the sound of laughter, replied "We've never ridden that shuttle, so we can't make a comparison. "It's a shorter ride." Koch inter-jected. "Which one?" asked a voice in the crowd.

Bishop Desmond Tutu, the general secretary of the South African Council of Churches, has been denied a passport - apparently as a result of his prominent opposition apartheid - to receive a \$100,000 Onassis Award in recognition of his "unflinching courage in expressing the demand for an equal and peaceful coexistence between whites and blacks in South Africa." The annual award was begun five years ago with a half-bil-lion-dollar bequest from the late Aristotle Onassis. Tutu had been scheduled to receive the prize FriSir Rannish Twistleton-Wyken, ham Fiennes and the Transglobe Expedition have cast off for the North Pole in the second half of the first polar circumnavigation of the world. The ship Benjamin Bowring left Los Angeles harbor with Sir Ranulph, 36, his wife, Lady Varginia Flennes, and Charles Burton, 39, who will accompany Figures in a snowmobile crossing of the North Pole next spring. The explorers left Britain in September, 1979, to follow a course around the world roughly following the Greenwich Meridian and international date line, and crossed Antarctica late last year.

The attorney and business manager for Rita Hayworth says the 62-year-old actress has Altsheimer's disease, or pre-senile dementia, and should be placed under conservatorship. Attorney Leonard H.
Monroe filed a Superior Court petition in Los Angeles seeking to take control over Hayworth's per-sonal property, valued at more than \$250,000, and her medical and personal care. A hearing was set for June 17. The petition said Hayworth does not oppose Monroe's appointment.

Princess Marie Christine of Belgium and her new husband, Paul Drake, the co-owner and planist of Drake's piano bar in Toronto, say they will fly to Belgium to explain their sudden marriage to the prin-cess' unhappy family, including her half brother, King Baudoin. The princess, who works in Toronto, said she was sure the royal family would "come around" once they met Drake. The couple had planned to wed in Toronto this September, but decided to hold an impromptu, unannounced wedding last week in Florida because feared her relatives' opposition might prevent more formal arrangements. * * *

The Secret Service agent who stepped in front of President Reagan and took a bullet fired by a would-be assassin says the service did "the best job we could" in protecting Reagan. "There are a number of investigations still going on," noted Timothy McCarthy. "But it's hard to say if we would have done anything different." McCarthy, 31, was in Boston to be made a member of The Charitable Irish Society of Boston and to receive a resolution from the House of Representatives declaring him a "genuine hero."

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